

**HUMAN SERVICES GROUP
SUMMARY**

	<u>Page #</u>	<u>Approp/ Requirements</u>	<u>Revenue/ Financing Sources</u>	<u>Local Cost</u>
<u>GENERAL FUND</u>				
AGING AND ADULT SERVICES:				
AGING PROGRAMS	7-1-1	8,184,557	8,184,557	-
CHILD SUPPORT SERVICES	7-2-1	41,478,447	38,694,021	2,784,426.00
HUMAN SERVICES SYSTEM:				
ADMINISTRATIVE CLAIM	7-3-2	323,382,345	310,052,303	13,330,042
SUBSISTENCE PAYMENTS	7-3-17	430,779,367	408,957,914	21,821,453
AID TO INDIGENTS	7-3-45	1,361,560	342,470	1,019,090
VETERANS AFFAIRS	7-5-1	1,145,928	299,667	846,261
TOTAL GENERAL FUND		<u>806,332,204</u>	<u>766,530,932</u>	<u>39,801,272</u>
<u>SPECIAL REVENUE FUNDS</u>				
		<u>Approp/ Requirements</u>	<u>Revenue</u>	<u>Fund Balance</u>
HUMAN SERVICES SYSTEM:				
PROPOSITION 36	7-3-48	7,426,622	6,003,762	1,422,860
AB212	7-3-50	600,000	600,000	-
PRESCHOOL SERVICES		38,809,923	38,809,923	-
TOTAL SPECIAL REVENUE FUNDS		<u>46,836,545</u>	<u>45,413,685</u>	<u>1,422,860</u>
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<u>OTHER AGENCY FUND</u>	<u>Page #</u>	<u>Approp</u>	<u>Revenue</u>	<u>Fund Balance</u>
IN-HOME SUPPORTIVE SERVICES	8-1-1	5,090,290	3,737,744	1,352,546
<u>REALIGNMENT</u>	7-6-1			

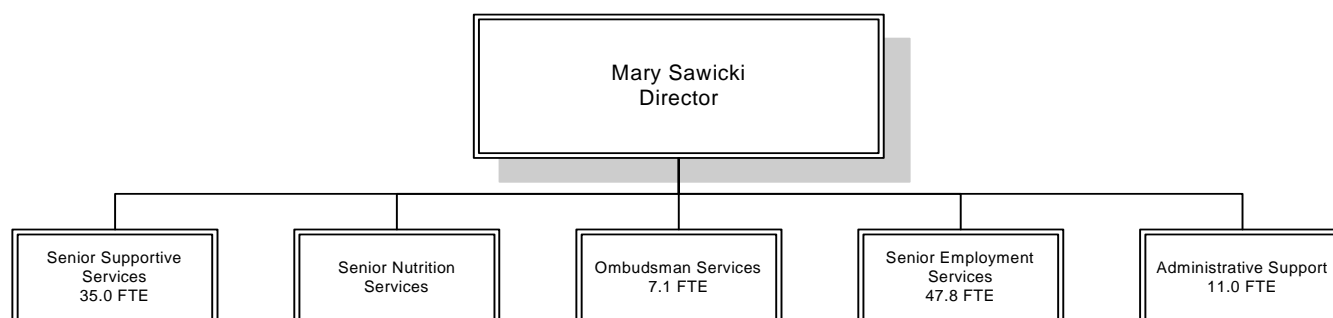
Aging & Adult Services

Mary R. Sawicki

MISSION STATEMENT

The Department of Aging and Adult Service's Mission is providing service to seniors and at risk individuals to improve or maintain choice, independence, and quality of life. The Department works to ensure seniors and adults with disabilities have the right to age in place, in the least restrictive environment.

ORGANIZATIONAL CHART



DESCRIPTION OF MAJOR SERVICES

The predominate funding source for the Aging programs is the Older American's Act and is summarized as follows:

- Senior Supportive Services – Special programs for seniors 60 and over to provide links to services that will allow the aging population to remain in their homes, provide respite adult care, assisted transportation, legal services, home safety devices and case management services.
- Senior Nutrition Services – Meal program for seniors 60 and over to provide nourishing meals, nutrition and education counseling, companionship, and long-term care protections.
- Ombudsman Services – Independent, objective, and neutral persons who advocate for dignity, quality of life, and quality of care for all residents in long-term care facilities. They are authorized by Federal and State law to receive, investigate, and resolve complaints by or on behalf of residents in long-term care facilities, skilled nursing facilities, and Community-Care licensed board and care homes.
- Senior Employment Services – provides part-time employment services for seniors age 55 and over. Seniors in the program receive on-the-job training in clerical work, basic computer skills, resume preparation, job location strategies, and other related topics.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	8,878,761	8,147,202	8,667,795	8,184,557
Departmental Revenue	8,316,651	8,147,202	8,667,795	8,184,557
Local Cost	562,110	-	-	-
Budgeted Staffing		101.1		101.9

Workload Indicators

Senior Employee Enrollees	117	85	157	127
Meals Served	1,006,153	1,050,206	821,413	900,000
Senior Home & Health Care Clients	316	314	308	310
Community Based Services Clients	1,625	1,240	1,150	1,180
Information & Assistance Contacts	44,995	50,194	47,325	49,596



Salary and benefits are projected be under final budget by \$70,000 due to the following:

- The Senior Employment Program is under expending salaries and benefits by \$36,000 and reducing budgeted positions due to reduced funding.
- The Multipurpose Senior Services Program (MSSP) is over expending salaries and benefits by approximately \$10,000 due to the transferring of three Public Health Nurses to the Aging Programs budget. These costs were previously contracted with Public Health and budgeted in transfers.
- An additional \$44,000 in salary and benefit savings is due to lag time in recruiting and hiring staff.

Services and supplies are projected to exceed final budget appropriation by \$555,000 due to increased expenditures in Family Caregiver Supplemental Services and Title III programs. These appropriation and revenue increases were approved by the Board on December 16, 2003 item #48 for the Family Caregiver Supplemental Services Program and on February 3, 2004 item #27 for Title III programs.

Other charges expenditures are projected to exceed final budget appropriation by \$53,378 due to a \$10,000 increase in funding to Family Caregiver Supplemental Services and \$43,378 Voucher transportation services from one-time-only funding from the State. These appropriations and revenue increases were approved by the Board of Supervisors on February 3, 2004 item #27.

Fixed asset expenditures are projected to exceed final budget appropriation by \$27,000 due to increased funding from the State for the Ombudsman Volunteer recruitment process. The Department received approval from the Board of Supervisors on February 3, 2004 item #27 to purchase a van utilizing this one-time-only funding.

Transfers and reimbursements are projected to be under final budget by \$54,528 due to Public Health nurses in the MSSP program moving into the Aging Programs budget.

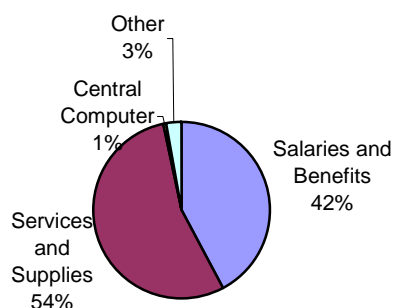
Reimbursements are projected to be lower than final budget due to a \$15,000 reduction in Aging personnel doing fewer assignments for Adult Service programs during the first six months of the fiscal year.

Revenue is projected to exceed the final budget due to increased funds for the Ombudsman Initiative, Family Caregiver, Nutrition and Supportive Services programs. The Board of Supervisors on November 18, 2003, item #28, December 16, 2003 item #48, and February 3, 2004 item #27 approved revenue increases.

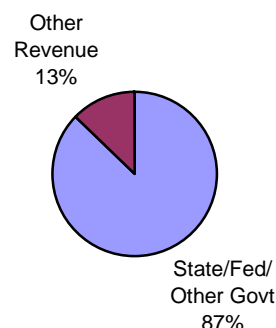
Projected state revenue is less than budgeted and federal revenue is more than budgeted due to incorrectly classifying budgeted MSSP federal revenue as state revenue. A revenue transfer to correct this situation was submitted.

There is no local cost associated with this budget.

2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY



2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
DEPARTMENT: Aging & Adult Services
FUND: General

BUDGET UNIT: OOA VARIOUS
FUNCTION: Public Assistance
ACTIVITY: Administration

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G Department Recommended Funded Adjustments (Schedule C)	F+G H 2004-05 Proposed Budget
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget		
Appropriation								
Salaries and Benefits	3,618,320	3,688,839	423,802	-	-	4,112,641	(164,451)	3,948,190
Services and Supplies	5,664,160	5,109,483	156,733	-	-	5,266,216	(209,724)	5,056,492
Central Computer	35,278	39,490	-	-	-	39,490	16,382	55,872
Other Charges	93,378	40,000	-	-	-	40,000	(29,000)	11,000
Vehicles	27,000	-	-	-	-	-	-	-
Transfers	351,767	406,295	50,000	-	-	456,295	(202,386)	253,909
Reimbursements	(1,122,108)	(1,136,905)	8,093	-	-	(1,128,812)	(12,094)	(1,140,906)
Total Appropriation	8,667,795	8,147,202	638,628	-	-	8,785,830	(601,273)	8,184,557
Departmental Revenue								
Use Of Money and Prop	36	-	-	-	-	-	-	-
State, Fed or Gov't Aid	8,658,089	7,832,202	608,628	-	-	8,440,830	(313,393)	8,127,437
Other Revenue	9,642	315,000	30,000	-	-	345,000	(287,880)	57,120
Other Financing Sources	28	-	-	-	-	-	-	-
Total Revenue	8,667,795	8,147,202	638,628	-	-	8,785,830	(601,273)	8,184,557
Local Cost	-	-	-	-	-	-	-	-
Budgeted Staffing		101.1	4.0	-	-	105.1	(3.2)	101.9

STAFFING CHANGES

Staffing increased by a net 0.8 budgeted staffing in 2004-05. Changes consist of the following:

- ❖ Added 3.0 Public Health Nurses II by transferring staff from the Public Health Department budget to the Aging budget under the Multipurpose Senior Service Program to manage cases of medically fragile clients. Transferring them to the Aging budget enables the department to save administrative overhead costs and directly supervise the employees.
- ❖ Added 1.3 Social Service Aides, 1.0 Ombudsman Volunteer Coordinator and 0.5 Clerical Assistants and 0.2 Social Service Practitioners. On November 18, 2003 the Board of Supervisors approved item number 28 adding 4.0 budgeted positions to assist in the workload for the Ombudsman and Family Caregiver programs. Due to increased costs to maintain programs and to remain within allocation, 0.5 Accountant II and 0.5 Ombudsman Field Coordinator positions were not filled and will not be included in 2004-05 budget.
- ❖ Deleted 0.2 budgeted FTE in an Ombudsman position to remain within allocation. This is a contract position that will be working fewer hours.
- ❖ Deleted 1.0 Supervising Accountant II and 1.0 Supervising Program Specialist in Administration due to increased costs to maintain programs and to remain within allocation. These positions have been reassigned to other county departments.
- ❖ Deleted 1.0 Social Service Aide and 1.0 Fiscal Clerk II in the Senior Employment Program due to increased costs to maintain programs and to remain within funding allocation. These positions have been reassigned to other county departments.
- ❖ Deleted 1.0 Senior Information and Referral Rep in the Senior Information and Assistance Program due to increased costs to maintain within funding allocation.

PROGRAM CHANGES

Medi-Cal Administrative Activities (MAA) revenue has not been budgeted in FY2004-05. MAA are administrative activities currently performed by staff necessary for the proper and efficient administration of the Medi-Cal program and requires a 50% local share to receive federal reimbursement. Because reimbursement for costs in this program is stagnating at the state level and it is unknown when receipt of funds will occur, MAA revenue is not budgeted in 2004-05. The department has reduced staffing and services and supplies in order to stay within existing allocations.



DEPARTMENT: Aging & Adult Services
 FUND: General
 BUDGET UNIT: OOA VARIOUS

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	101.1	8,147,202	8,147,202	-
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	190,931	190,931	-
Internal Service Fund Adjustments	-	30,264	30,264	-
Prop 172	-	-	-	-
Other Required Adjustments	4.0	417,433	417,433	-
Subtotal	4.0	638,628	638,628	-
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	-	-
TOTAL BASE BUDGET	105.1	8,785,830	8,785,830	-
Department Recommended Funded Adjustments	(3.2)	(601,273)	(601,273)	-
TOTAL 2004-05 PROPOSED BUDGET	101.9	8,184,557	8,184,557	-



SCHEDULE C

DEPARTMENT: Aging & Adult Services
 FUND: General
 BUDGET UNIT: OOA VARIOUS

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
1. Deleted 3.7 Program budgeted staffing Reduction due to increased cost to maintain program to remain within funding. In Senior Employment 2.0 positions will be deleted. 1.0 (Fiscal Clerk II) will be transferred to another department. 1.0 (Social Service Aide) will be deleted. In Supportive Services 1.0 (Senior Information & Referral) vacant position will be deleted. In Ombudsman .5 contracted (Asst. Field Coord.) vacant position deleted. Reduced (Asst. Field Coord.) hours by 0.2 FTE.	(3.7)	(162,401)	(162,401)	-
2. Deleted 2.5 Administration budgeted staffing Reduction due to increased cost to maintain program. From administration 2.5 positions will be deleted. 1.0 (Accountant Supervisor II) transferred to another department. 1.0 (Program Supervisor) will also need to be reduced. .5 (Accountant I) deleted a vacant position.	(2.5)	(233,413)	(233,413)	-
3. Added 3.0 positions to Multipurpose Senior Service Program Added 3.0 Public Health Nurses into program. Positions were transferred from Public Health in fiscal year 2003-04 resulting in a cost savings in overhead of approximately \$36,451.	3.0	250,854	250,854	-
4. Reduced benefits Ombudsman employment Contracts Adjustments to Ombudsman contracts resulted in a savings of approximately \$16,012. Cost for filled coordinator and clerical assistant adjustment to FY 04/05 cost in Mid-year adjustments (3,479)	-	(19,491)	(19,491)	-
5. Reduced COWCAP charges Decrease in COWCAP charges	-	(66,241)	(66,241)	-
6. Reduced comnet charges Decrease in comnet & phone charges	-	(48,693)	(48,693)	-
7. Reduced general expenses Decrease overall services and supplies: memberships and publications (\$6,817), legal notices (\$2,318), training (\$2,874), Office expense (\$24,101), other insurance (\$4,479), printing services (\$16,448), advertising (4,190), travel (\$7,847) equip maintenance (\$1,933) other misc. decreases (\$23,783).	-	(94,790)	(94,790)	-
8. Increase central computer Increase in computer services	-	16,382	16,382	-
9. Reduced emergency Assistance Reduced income support material aid in the Family Caregiver Support Program to remain within funding due to increase costs to main program.	-	(29,000)	(29,000)	-
10. Reduced transfers Public Health Nurses transferred into Aging budget reducing transferred costs by approximately (\$216,600). Increase for .1 FTE Supervising Public Health Nurses in HSS Administration Claim for approximately \$2,065. Increase due to DPA performing duties for Aging \$25,278. Rent was overstated in FY 2003/04 (\$13,129).	-	(202,386)	(202,386)	-
11. Increase Reimbursements .5 FTE of Public Health Nurse budgeted in Aging programs performing Adult Services duties.	-	(41,809)	(41,809)	-
12. Decrease Reimbursements Community Development Block Grant reduced (\$18,992), reduction of Aging programs performing Adult services duties (\$32,496), reduced Adult Services that are paid by Aging (\$110,779), offset by increase in reimbursement for overhead charged for Aging programs performing Adult services duties \$132,552.	-	29,715	29,715	-
Total	(3.2)	(601,273)	(601,273)	-

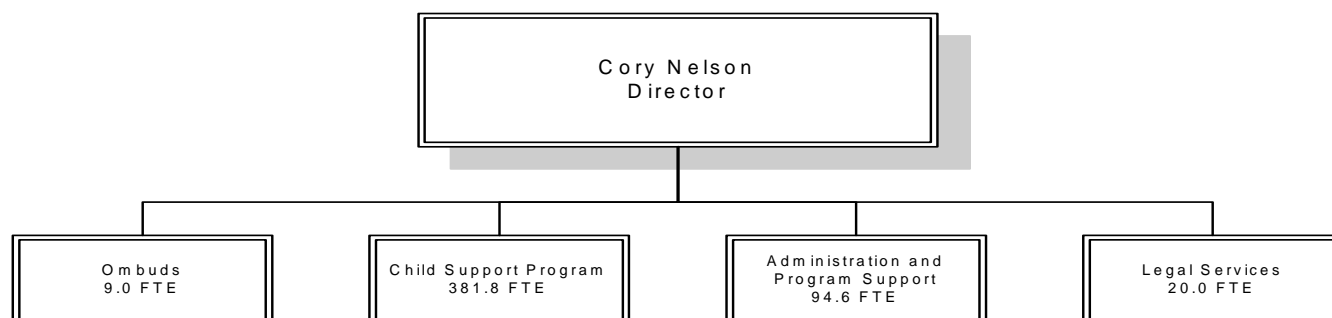


Child Support Services Cory Nelsen

MISSION STATEMENT

The County of San Bernardino Department of Child Support Services determines paternity, establishes and enforces child support orders, and issues payments to assist families in meeting the financial and medical needs of their children. We provide timely and effective service in a professional manner.

ORGANIZATIONAL CHART



DESCRIPTION OF MAJOR SERVICES

The County of San Bernardino Department of Child Support Services (DCSS) administers the federal and state Title IV-D Child Support Program. DCSS promotes the well-being of children and the self-sufficiency of families by providing child support assistance efficiently, effectively and professionally.

By establishing and enforcing child support orders, DCSS fosters a sense of parental responsibility that enhances the lives of San Bernardino County children. Basic program activities include locating absent parents, establishment of paternity, establishment of support orders pursuant to state guidelines, enforcement of support obligations, modification of support obligations when needed, and collection and distribution of support payments.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	38,845,942	39,889,326	39,896,949	41,478,447
Departmental Revenue	38,869,853	39,889,326	37,293,576	38,694,021
Local Cost	(23,911)	-	2,603,373	2,784,426
Budgeted Staffing		565.0		506.4

Workload Indicators

Average Collections Per Month	10,831,461	11,250,000	11,908,100	12,666,667
New Cases	28,904	29,500	29,948	30,900
Total Cases	162,785	160,000	159,055	152,200
Cases per Officer	733	842	824	825

SALARIES AND BENEFITS:

As of March 31, 2004, the department has spent \$20,970,127, which is 74% of its salaries and benefits allocation. In comparison to final budget the department projects a savings of \$1.6 million. Due to funding reductions of \$1.3 million, the department projects expenditures for salaries and benefits to be unspent by approximately \$289,102. The savings was achieved through greater than anticipated attrition.



The State Department of Child Support Services has scheduled the San Bernardino County DCSS for conversion to a new interim Child Support Enforcement System (CASES) by February 2005. This county's conversion to CASES is part of the State's plan to eliminate the federal penalties imposed on the state, a portion of which are now being paid by the counties. The Department expects to receive a conversion budget from the State in late May, for fiscal year 2004-05, and will be submitting a mid-year board item early next fiscal year to increase appropriation and revenue.

SERVICES AND SUPPLIES:

Through March 31, 2004, services and supplies trends are showing the department below target for this fiscal year with spending at 67% of allocation. Expenditures are expected to be under budget by approximately \$755,250. This is mainly due to two factors:

1. The reduction in staffing facilitated the decrease in communication costs, training, utilities, office supplies, and professional services.
2. The reductions in IRS take back charges in special department expense object code. Each year the IRS sends the department income tax refunds of delinquent parents that owe child support. If refunds are sent in error the department must return the funds to the IRS. Due to a change in the IRS tracking method for recoveries the department anticipates returning only \$206,000, which is \$600,000 less than budget.

The State of California is currently paying a \$194.8 million annual penalty to the federal government for failure to meet child support automation requirements. Beginning in the State Fiscal Year 2003-04 Budget, the State Department of Finance is allocating up to 25% of this penalty to counties. The County of San Bernardino's share is \$2,603,373. On September 23, 2003 in the State Budget Reduction Impacts and Adjustments item presented to the Board (item #65), the County Administrative Office requested to have appropriations and local cost increased to reimburse the state for the county's share of the penalty. To date, the county has paid \$1,301,687, and will pay an additional \$1,301,687 by June 1, 2004.

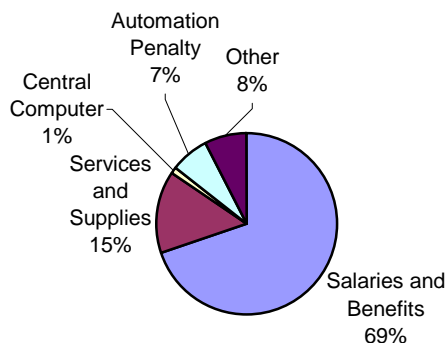
INTER-FUND TRANSFERS:

Costs in this area are expected to be fully expended with the exception of approximately \$198,606, which reflects savings that are primarily related to the department's decision to vacate a Redlands facility that was leased from AAA DPA.

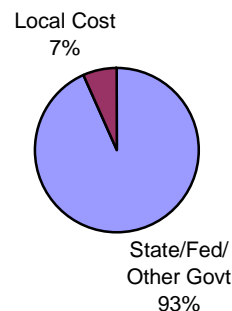
REVENUE:

The Department of Child Support Services is a reimbursement program administered by the State Department of Child Support Services and is backed by State and Federal funding. All allowable costs of the program are 100% funded through these sources. Due to federal law the county must pay the Child Support automation penalty with local funds, which is estimated to be \$2.6 million this year.

2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY



2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
DEPARTMENT: Child Support Services
FUND: General

BUDGET UNIT: AAA DCS
FUNCTION: Public Protection
ACTIVITY: Child Support

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
Appropriation								
Salaries and Benefits	27,810,039	29,451,933	654,092	-	-	30,106,025	(1,213,788)	28,892,237
Services and Supplies	8,780,047	6,931,924	241,565	-	2,784,426	9,957,915	(983,590)	8,974,325
Central Computer	361,631	361,631	89,626	-	-	451,257	-	451,257
Transfers	<u>2,945,232</u>	<u>3,143,838</u>	-	-	-	<u>3,143,838</u>	<u>16,790</u>	<u>3,160,628</u>
Total Appropriation	39,896,949	39,889,326	985,283	-	2,784,426	43,659,035	(2,180,588)	41,478,447
Departmental Revenue								
State, Fed or Gov't Aid	37,225,850	39,889,326	985,283	-	-	40,874,609	(2,180,588)	38,694,021
Other Revenue	<u>67,726</u>	-	-	-	-	-	-	-
Total Revenue	37,293,576	39,889,326	985,283	-	-	40,874,609	(2,180,588)	38,694,021
Local Cost	2,603,373	-	-	-	2,784,426	2,784,426	-	2,784,426
Budgeted Staffing		565.0	(23.0)	-	-	542.0	(35.6)	506.4

STAFFING CHANGES

The salaries and benefits appropriation is reduced by \$559,696 to reflect a reduction of 58.6 budgeted positions at a cost of \$2,409,093 offset by MOU-related increases of \$1,849,397. **The reduction will be managed through attrition and no layoffs are anticipated.**

The State Department of Child Support Services has scheduled the San Bernardino County DCSS for conversion to a new interim Child Support Enforcement System (CASES) by February 2005. This county's conversion to CASES is part of the State's plan to eliminate the federal penalties imposed on the state, a portion of which are now being paid by the counties. The Department expects to receive a conversion budget from the State in late May, for fiscal year 2004-05, and will be submitting a mid-year board item early in the fiscal year to increase appropriation and revenue.

The net reduction of 58.7 budgeted positions consist of: (2) Chief Clerks, (2) Child Support Field Investigators, (4.7) Child Support Officer Is, (2.8) Child Support Officer IIs, (25) Clerk IIs, (3.5) Clerk IIIs, (1) Clerk IV, (1) Chief, Child Support, (3.4) Fiscal Clerk IIs, (3) Investigative Technician Is, (1) Secretary I, (2) Staff Aides, (1) Child Support Attorney I, (6.1) Child Support Assistants, and (0.2) Supervising Child Support Officer.

PROGRAM CHANGES

The Services and supplies budgeted appropriation increased by \$2 million. Appropriations were increased by \$2.7 million to allow the county to pay the Federal Automation Penalty. Therefore, there is a **net decrease** in services and supplies of \$742,025. The penalty was imposed by the federal government due to California's failure to meet federal child support automation requirements. This penalty will be paid each year until a statewide automated system is in place. It is anticipated that an interim automated system will be in place by September 2005 with a more permanent system in place 2 years later. On September 23, 2003 in the State Budget Reduction Impacts and Adjustments item presented to the Board (item #65), the County Administrative Office requested to have appropriations and local cost increased to reimburse the state for the county's share of the penalty. In FY2004-05 the department will again be given local cost totaling \$2.8 million to cover this penalty.

Intra-fund transfers increased by \$16,790, primarily due to an increase in charges to HSS Information Technology for staffing costs.

There are no fixed assets budgeted for FY 2004-05.

Child Support is a reimbursement program backed by 100% state and federal funding and revenues have been adjusted to reflect actual expenditures.



DEPARTMENT: Child Support Services
 FUND: General
 BUDGET UNIT: AAA DCS

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	565.0	39,889,326	39,889,326	-
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	1,849,397	1,849,397	-
Internal Service Fund Adjustments	-	331,191	331,191	-
Other Required Adjustments	(23.0)	(1,195,305)	(1,195,305)	-
Subtotal	(23.0)	985,283	985,283	-
Impacts Due to State Budget Cuts	-	2,784,426	-	2,784,426
TOTAL BASE BUDGET	542.0	43,659,035	40,874,609	2,784,426
Department Recommended Funded Adjustments	(35.6)	(2,180,588)	(2,180,588)	-
TOTAL 2004-05 PROPOSED BUDGET	506.4	41,478,447	38,694,021	2,784,426

SCHEDULE B

DEPARTMENT: Child Support Services
 FUND: General
 BUDGET UNIT: AAA DCS

IMPACTS DUE TO STATE BUDGET CUTS

Brief Description of State Budget Cuts	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Federal Automation Penalty		2,784,426	-	2,784,426
The State of California is currently paying a \$194.8 million annual penalty to the federal government for failure to meet child support automation requirements. Beginning in the State fiscal year 2003-04 Budget, the State Department of Finance is allocating up to 25% of this penalty to counties. The County of Sanbernardino's share is \$2,784,426. On September 23, 2003 in the State Budget Reduction Impacts and Adjustments item presented to the Board (item #65), the CAO requested to have appropriations and local cost increased to reimburse the State for our county's share of the penalty.				
Total	-	2,784,426	-	2,784,426



SCHEDULE C

DEPARTMENT: Child Support Services
 FUND: General
 BUDGET UNIT: AAA DCS

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

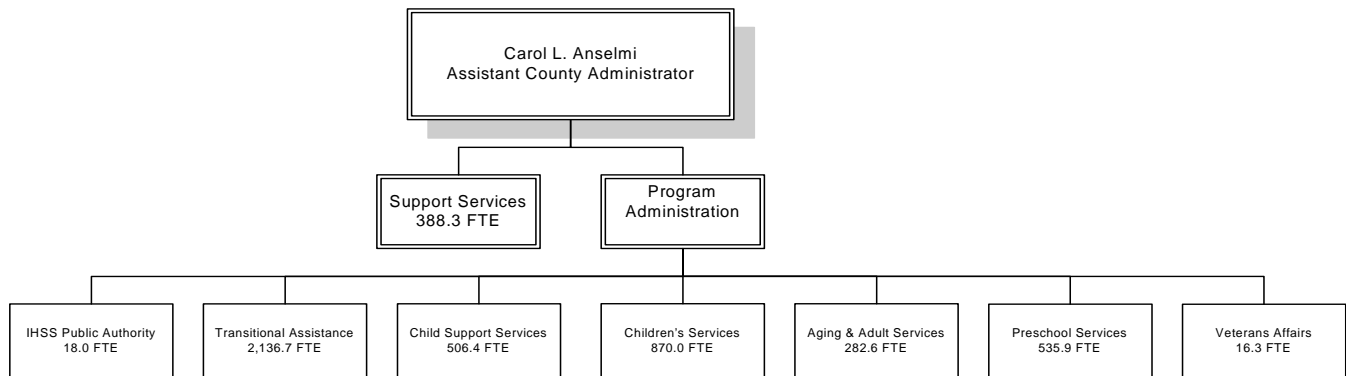
Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
1. COWCAP Reduction Reduction made in the County-wide Cost Allocation Plan.	-	(108,767)	(108,767)	-
2. Salary & Benefit Reduction Staffing reduction due to MOU and other cost increases.	(35.6)	(1,213,788)	(1,213,788)	-
3. Services and Supplies Reduction in services and supplies due to staffing reduction.	-	(874,823)	(874,823)	-
4. Increase in Transfers Increase in salary and benefit costs for staff in AAA DPA that perform IT and other support functions for the department.	-	16,790	16,790	-
Total	(35.6)	(2,180,588)	(2,180,588)	-



HUMAN SERVICES SYSTEM

Carol Anselmi

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2004-05				
	Operating Exp/ Appropriation	Revenue	Local Cost	Fund Balance	Staffing
<u>General Fund</u>					
Child Support Services	41,478,447	38,694,021	2,784,426		506.4
Dept of Aging & Adult Services-Aging Programs	8,184,557	8,184,557	-		101.9
HSS Administrative Claim	323,382,345	310,052,303	13,330,042		3,576.7
HSS Subsistence Payments	430,779,367	408,957,914	21,821,453		-
HSS Aid to Indigents (General Relief)	1,361,560	342,470	1,019,090		-
Veterans Affairs	1,145,928	299,667	846,261		16.3
Total General Fund	806,332,204	766,530,932	39,801,272		4,201.3
<u>Special Revenue Funds</u>					
Preschool Services	38,909,924	38,909,924		-	535.9
AB 212-Teacher Stipends	600,000	600,000		-	-
Total Special Revenue Fund	39,509,924	39,509,924		-	535.9
<u>Other Agency Fund</u>					
IHSS Public Authority	5,090,290	3,737,744		1,352,546	18.0
Totals	850,932,418	809,778,600	39,801,272	1,352,546	4,755.2

The Human Services System (HSS) is composed of six county departments: Transitional Assistance, Children's Services, Aging and Adult Services, Preschool Services, Child Support Services, and Veterans Affairs. Additionally, several support divisions under HSS Management Services (including HSS Information Technology and Support (ITSD), and the Performance, Education and Resource Center (PERC)) provide administrative and training support to the HSS departments.

Transitional Assistance, Children's Services, Adult Services, and all HSS support divisions are included in the HSS Administrative Claim process. The purpose of the claim process is to provide the county with the means for determining the costs applicable to each of the numerous welfare programs. This cost determination is necessary to satisfy federal and state reporting and funding requirements, and to determine appropriate federal and state financial reimbursement to the county for each of the welfare programs.

Subsistence Payments and Aid to Indigents (general relief) are either direct payments to welfare recipients or payments to organizations that provide service to the welfare recipients. The HSS Assistant County Administrator is responsible for all of the above budget units.

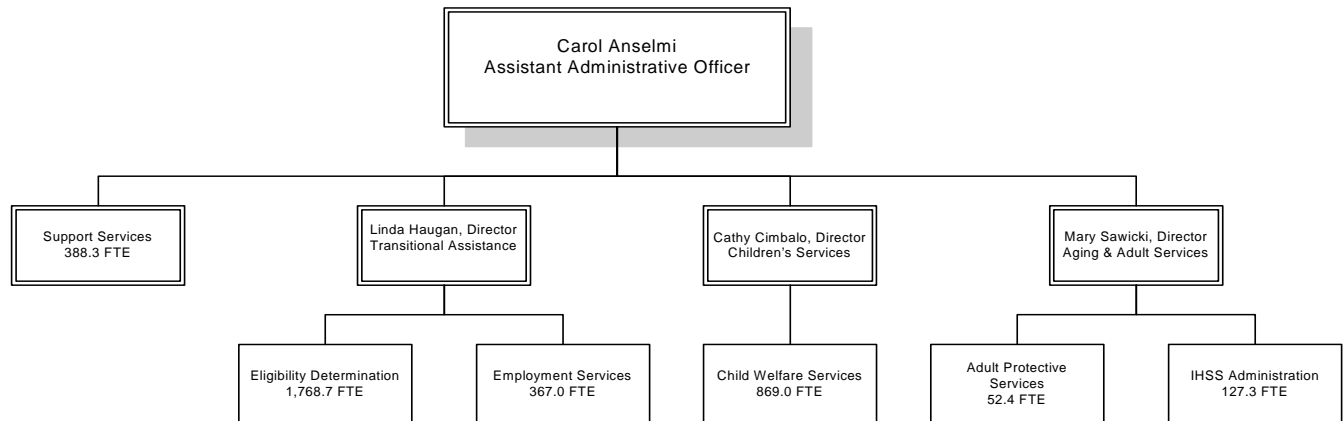


HSS – Administrative Claim

MISSION STATEMENT

The Human Services System works to build a healthy community by strengthening individuals and families, enhancing quality of life and valuing people.

ORGANIZATIONAL CHART



DESCRIPTION OF MAJOR SERVICES

This budget unit represents the administrative claim made by the county for social services programs under applicable mandatory federal and state regulations. Included are Transitional Assistance Department (Eligibility and Employment Services), Department of Children's Services (DCS), Adult Services programs of the Department of Aging and Adult Services (DAAS), and the administrative support and training functions provided by HSS Administration and the Performance, Education and Resource Center (PERC).

Transitional Assistance Department (TAD)

TAD strives to meet the basic needs of individuals and families while working with them to attain self-sufficiency. TAD is responsible for the administration of the financial support programs that assist the needy with basic services. The primary services provided are statutory mandates and include: Transitional Assistance to Needy Families (TANF), food stamps, Medi-Cal, foster care administration, general relief assistance, CalWORKs – Employment Services Program and child care. All programs are funded by a combination of federal, state, Realignment and county dollars, with the exception of the general assistance program, which is funded solely by the county.

TAD-Eligibility ensures a proper mix of basic services that include, but are not limited to, screening applications for type of services needed, conducting eligibility determinations for the above mentioned services, calculating ongoing benefit issuance, and referring customers to appropriate agencies for services not provided by TAD.

TAD-Employment Services provides its customers remedial and/or basic education, and vocational or on-the-job training to prepare participants to enter the job market. Eligible customers receive supplemental funding for ancillary, childcare, and transportation costs during their active participation in the program. Failure to comply with program requirements results in loss or reduction of the participants' TANF subsistence payments.

Department of Children's Services (DCS)

DCS is a collection of programs aimed at reducing the occurrence of child abuse and neglect in San Bernardino County. The primary goal of these programs is maintaining families whenever possible. When not possible, the secondary goal is to provide the best permanent plan for the child removed from his or her caretaker. To accomplish the mission of DCS, a wide variety of services are offered. Child Protective Services is the program with the highest visibility, with the goal of prevention of abuse to minors and the protection of those abused.



Other DCS programs include:

- Emergency Response (ER): investigates allegations of child abuse and neglect and makes immediate plans to ensure the safety of endangered children. This is often the “front door” for clients entering the Child Welfare System.
- Family Maintenance (FM): builds on families’ strengths and helps to remove barriers so children can remain safely at home.
- Family Reunification (FR): works to make the family environment a safe one so children can return home.
- Permanency Planning (PP): ensures that children who are unable to live safely with their birth families can grow up in a safe and secure permanent living arrangement.
- Foster Parent Recruitment and Training, along with Foster Home Licensing: maintains and creates out-of-home placement resource options throughout the county.
- Adoptions: performs assessments of adoptive families and matches children with permanent families when their birth families are no longer an option.
- Independent Living Program: assists youth in successfully transitioning out of the foster care system.

Department of Aging and Adult Services (DAAS)

DAAS serves as the area agency on aging for this county under the provisions of federal law, which makes funds available to senior citizen programs. Area agencies on aging provide leadership for defining objectives, establishing priorities, and developing a system to deliver services to older people. DAAS has a separate consolidated budget for the state and federally funded aging programs, which is presented in its own section under Aging Programs. DAAS is also responsible for the In-Home Supportive Services (IHSS) and the Adult Protective Services (APS) programs, which are both budgeted in the Human Services System Administrative Claim budget.

The IHSS program provides personal and domestic services for aged, disabled and blind persons enabling them to remain in their own homes rather than being placed in institutions. The program is operated by the use of the individual provider mode, which is paid directly to the provider by the state. The state then invoices the county for its portion of the individual provider costs. In addition, the county incurs expenses for supervision and administration of the program. These expenses are reflected in the HSS Administrative Claim budget unit. The federal share represents Medicaid dollars made available through participation in the Personal Care Services Program (PCSP).

The APS program investigates and resolves reports on elder and dependent adult abuse. The program provides a wide variety of services in resolving and preventing exploitation or neglect. The services include the investigation of issues, developing a service plan, counseling, referring to other community resources including the IHSS program, monitoring the progress of the client, and following up with the client.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Requirements	304,003,111	297,664,713	305,093,692	323,382,345
Departmental Revenue	291,758,831	286,197,963	293,626,942	310,052,303
Local Cost	12,244,280	11,466,750	11,466,750	13,330,042
Budgeted Staffing		3,422.7		3,576.7

Workload Indicators

TAD Average Monthly Caseload	171,994	197,120	205,602	218,496
DCS Referrals - Annual	53,811	63,825	55,344	57,004
DCS Average Monthly Caseload	7,224	8,642	8,482	8,821
IHSS Average Monthly Caseload	13,687	14,163	15,308	16,959
IHSS Annual Paid Hours	13,530,196	14,596,235	14,654,268	16,407,161



Workload indicators: The increase in Transitional Assistance (TAD) monthly caseload is a result of dramatic growth in Medi-Cal caseload. This growth is attributable to changes in Medi-Cal eligibility requirements, which allow more people to qualify for aid. Changes also allow clients currently receiving benefits to remain qualified for a longer period of time. In-Home Supportive Services (IHSS) monthly caseload continues to increase at a rapid pace. Although paid IHSS service hours are projected to be slightly higher than budget, total County share is projected to be under budget by approximately \$0.5 million due to a temporary increase in the Federal Medicaid Assistance Percentage (FMAP) rate in 2003-04. This increased the federal rate of reimbursement from 50% to 53.3% and reduced the County share.

Allocations received from the state in August and September 2003 resulted in significant funding increases for many programs included in this budget unit. Medi-Cal, Food Stamps, and other TAD and Children's Services programs received additional funding due to additional program requirements in those programs. To restore selected previous cuts and to utilize the additional funds HSS prepared a Board Agenda Item requesting approval to increase staffing levels, increase appropriations and increase revenue. This item, Adjustments to 2003-04 Final Budget For The Human Services System Administrative Claim Budget Unit, was presented to and approved by the Board of Supervisors as Item #49 on December 2, 2003. This action increased appropriations and revenue by \$22.4 million. Budgeted staffing was increased by 123 positions.

Estimates for 2003-04 reflect the projected effect of the increases approved in the December 2, 2003 Adjustment (see comparison chart on following page).

- ◆ Salary and benefit expenditures are estimated to exceed Final Budget appropriations by \$0.7 million yet will under expend, by \$13.3 million, the additional \$14.0 million approved in the December 2, 2003 Adjustment. Continued attrition and HSS's inability to quickly fill positions as they become vacant accounts for most of these savings. Uncertainty of the state's budget and the possibility of future funding cuts continue to contribute to elevated levels of staff attrition. This uncertainty also necessitates additional scrutiny of requests to fill vacant positions, which slows the hiring process.
- ◆ Services, supplies, other charges and equipment expenditures are estimated to exceed Final Budget appropriations by \$7.9 million and reflect the expectation that, cumulatively, expenditures will remain within the appropriation levels approved in the December 2, 2003 Adjustment. Overall savings in these appropriation units are estimated to be approximately \$0.5 million below the increases allowed by the adjustment.
- ◆ Operating transfers reflect expected savings of \$1.3 million. Of this, \$1.0 million will be saved due to delays in providing medical benefits to In-Home Supportive Services (IHSS) providers this year. The remaining \$0.3 million savings is a result of lower than anticipated costs of the IHSS Public Authority.
- ◆ Revenue is estimated to increase commensurately with the increase in expenditures and will be adequate to keep this budget unit within the budgeted local cost.



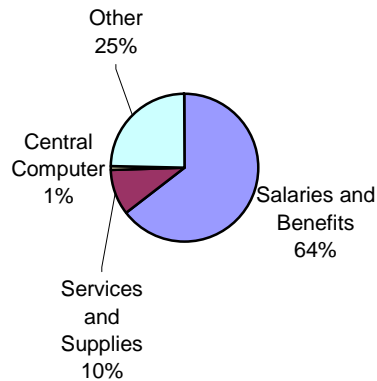
Comparison: Year End Estimates to Levels Approved in December 2, 2003 Adjustment

	2003-04 Final Budget	2003-04 Midyear Amended Budget	2003-04 Year- End Estimates	Variance to 2003-04 Midyear
<u>Appropriations</u>				
Salaries and Benefits	188,776,134	202,767,083	189,511,505	(13,255,578)
Services and Supplies	30,758,008	34,766,879	34,470,508	(296,371)
Central Computer	2,810,896	2,810,896	2,810,896	-
Other Charges	44,289,658	47,606,091	47,425,074	(181,017)
Equipment	386,209	940,209	927,137	(13,072)
Transfers	<u>31,176,218</u>	<u>31,497,002</u>	<u>31,156,257</u>	<u>(340,745)</u>
Total Exp Authority	298,197,123	320,388,160	306,301,377	(14,086,783)
Less:				
Reimbursements	<u>(2,030,842)</u>	<u>(1,784,467)</u>	<u>(1,442,084)</u>	<u>342,383</u>
Total Appropriation	296,166,281	318,603,693	304,859,293	(13,744,400)
Operating Transfers Out	<u>1,498,432</u>	<u>1,498,432</u>	<u>234,399</u>	<u>(1,264,033)</u>
Total Requirements	297,664,713	320,102,125	305,093,692	(15,008,433)
<u>Revenue</u>				
Fines & Forfeitures	-	-	10,706	10,706
Use of Money and Prop	-	-	10,881	10,881
Realignment	42,447,640	42,967,627	40,698,706	(2,268,921)
State, Fed or Gov't Aid	240,713,779	262,303,717	249,512,810	(12,790,907)
Current Services	452,600	987,933	1,265,482	277,549
Other Revenue	2,553,944	2,346,098	2,097,954	(248,144)
Other Financing Sources	<u>30,000</u>	<u>30,000</u>	<u>30,403</u>	<u>403</u>
Total Revenue	286,197,963	308,635,375	293,626,942	(15,008,433)
Local Cost	11,466,750	11,466,750	11,466,750	-

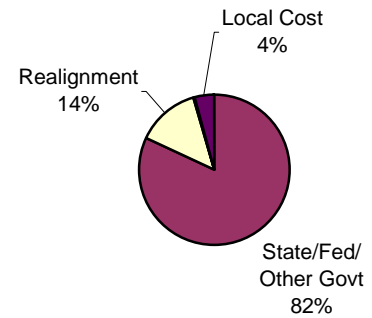


2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY

2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
 DEPARTMENT: HSS Administrative Claim Budget
 FUND: General



BUDGET UNIT: AAA DPA
 FUNCTION: Public Assistance
 ACTIVITY: Administration

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
Appropriation								
Salaries and Benefits	189,511,505	188,776,134	26,349,104	(780,000)	-	214,345,238	(6,158,254)	208,186,984
Services and Supplies	34,470,508	30,758,008	6,116,721	-	-	36,874,729	(4,437,500)	32,437,229
Central Computer	2,810,896	2,810,896	(54,961)	-	-	2,755,935	-	2,755,935
Other Charges	47,425,074	44,289,658	6,791,011	-	-	51,080,669	(2,952,402)	48,128,267
Equipment	202,565	-	204,000	-	-	204,000	25,000	229,000
Vehicles	350,000	-	350,000	-	-	350,000	(350,000)	-
L/P Equipment	374,572	386,209	-	-	-	386,209	(131,408)	254,801
Transfers	31,156,257	31,176,218	320,784	-	-	31,497,002	699,000	32,196,002
Total Exp Authority	306,301,377	298,197,123	40,076,659	(780,000)	-	337,493,782	(13,305,564)	324,188,218
Reimbursements	(1,442,084)	(2,030,842)	246,375	-	-	(1,784,467)	159,453	(1,625,014)
Total Appropriation	304,859,293	296,166,281	40,323,034	(780,000)	-	335,709,315	(13,146,111)	322,563,204
Oper Trans Out	234,399	1,498,432	-	-	-	1,498,432	(679,291)	819,141
Total Requirements	305,093,692	297,664,713	40,323,034	(780,000)	-	337,207,747	(13,825,402)	323,382,345
Departmental Revenue								
Fines and Forfeitures	10,706	-	-	-	-	-	-	-
Use Of Money & Prop	10,881	-	-	-	-	-	-	-
Realignment	40,698,706	42,447,640	5,219,504	-	298,365	47,965,509	(3,715,701)	44,249,808
State, Fed or Gov't Aid	249,512,810	240,713,779	32,941,874	(780,000)	-	272,875,653	(8,052,157)	264,823,496
Current Services	1,265,482	452,600	-	-	-	452,600	(88,600)	364,000
Other Revenue	2,097,954	2,553,944	-	-	-	2,553,944	(1,968,944)	585,000
Other Financing Sources	30,403	30,000	-	-	-	30,000	-	30,000
Total Revenue	293,626,942	286,197,963	38,161,377	(780,000)	298,365	323,877,705	(13,825,402)	310,052,303
Local Cost	11,466,750	11,466,750	2,161,657	-	(298,365)	13,330,042	-	13,330,042
Budgeted Staffing		3,422.7	123.0	-	-	3,545.7	31.0	3,576.7



2004-05 REQUIREMENTS

Uncertainties about the state budget and the lack of specifics regarding possible effects on social services programs have led HSS to prepare the 2004-05 budget using the assumption that allocations will remain unchanged from those received to date in 2003-04. The state does not prepare allocations until after the state budget is approved; therefore, it is expected that HSS will not receive funding notifications until August or September 2004. Differences between this budget and allocations received from the state will be addressed in a mid-year adjustment similar to the Adjustments to 2003-04 Final Budget For The Human Services System Administrative Claim Budget Unit referenced previously.

Overall requirements are \$25.7 million more than requested in the 2003-04 budget, but are only \$3.3 million more than approved in the December 2, 2003 Adjustment. Salary and Benefit costs will increase by \$5.4 million from the December 2, 2003 Adjustment due to higher costs in retirement, workers compensation and MOU increases. Based on the budgeted staffing levels in the December 2, 2003 Adjustment, these cost increases were estimated to be \$12.7 million in 2004-05. However, the increase is only \$5.4 million because budgeted employee salaries and step increases in 2003-04 were significantly more than actual costs, while the level of attrition was greater than expected. In 2004-05, budgeted salary & benefit costs include a more precise estimate of employee salaries and estimated attrition.

The increases in Salaries and Benefits are offset by reductions made in Services and Supplies and Other Charges of \$5.3 million. These reductions are further offset by a projected increase in IHSS of \$3.2 million. The increase from the December 2, 2003 Adjustment to the 2004-05 Proposed Budget is summarized below:

(In millions)	Increase (Decrease) from 2003-04 Midyear budget
Salaries & Benefits	5.4
Services & Supplies, Other	(5.3)
IHSS	3.2
Overall increase	3.3

Highlights of the changes between budget years are as follows:

- ♦ Overall, staffing will increase 154 positions since the 2003-04 final budget. Included in this increase are 123 positions approved by the Board in the December 2, 2003 Adjustment to help meet new requirements of the Medi-Cal and Food Stamp programs. An additional 31 positions are being requested. Of these, 25 Public Service Employee (PSE) positions are requested to act as full-time interpreters in TAD offices, 2 PSE positions are requested by DCS to provide Parent Relations Program services, 1 Supervising Public Health Nurse is requested to direct health related services to DAAS clients and 3 positions are requested to correct dual-fill situations in DCS funded County Counsel positions.

	TAD	DCS	DAAS	C-IV/ITSD	Support	Total
2003-04 final budget	2,019.7	863.0	179.7		360.3	3,422.7
2003-04 midyear adjustment	2,134.7	871.0	179.7		360.3	3,545.7
Positions transferred within budget	(9.0)	(6.0)		15.0 *		
2004-05 proposed budget	2,150.7	870.0	180.7	15.0	360.3	3,576.7

Difference between 2003-04 final budget & 2004-05 proposed budget	131.0	7.0	1.0	15.0	-	154.0
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* Existing Consortium IV (C-IV) and Information Technology Support Division (ITSD) positions were moved within this budget unit from TAD and DCS to ITSD, in order to more accurately reflect appropriate organizational reporting authority. Consortium IV is the new welfare automation system scheduled to go live in October 2004.



- ◆ Salary and Benefit costs will increase \$19.4 million. This increase is a combination of additional staff, negotiated MOU increases, salary step increases, retirement contribution increases and worker's compensation cost increases. These increased costs are possible due to funding increases received in 2003-04 and on-going cost containment efforts implemented by HSS in the services, supplies and equipment accounts.
- ◆ Services and supplies costs will increase \$1.6 million. \$1.1 million savings in COWCAP offsets \$2.7 million increases in the General Liability Insurance and Presort and Packaging accounts.
- ◆ Other charges for services to clients will increase \$3.8 million. This is due to increased costs for IHSS Provider payments.
- ◆ Equipment costs will increase \$0.1 million. Some increases in the cost of new equipment will be offset by a reduction in lease/purchases. There are currently no plans to purchase vehicles in 2004-05.
- ◆ Transfers to reimburse other county departments for services provided will increase \$1.0 million. Most of this is a result of increases in facility lease costs reimbursed to Real Estate Services Department.
- ◆ Reimbursements from other county departments for services provided by HSS will decrease \$0.4 million. This reflects a loss of \$0.2 million reimbursement for the cost of HSS leased space no longer occupied by Department of Child Support Services and a loss of a \$0.2 million reimbursement from Department of Behavioral Health for beds in a crisis residential center.
- ◆ Operating transfers out will decrease \$0.6 million. \$0.1 million savings can be attributed to lower costs of the IHSS Public Authority. \$0.5 million savings is due to a negotiated decrease in the amount that will be paid to provide medical benefits to IHSS Providers.

REVENUE

Available federal and state revenue will increase \$22.0 million from 2003-04 levels. This is due to funding increases received from the state. Significant revenue changes between budget years are as follows:

- ◆ Funding for TAD programs increased \$18.3 million from the prior fiscal year. This is a result of increases of \$1.3 million in CalWORKs funding, \$1.2 million in Food Stamp Administration funding, \$14.7 million in Medi-Cal Administration funding, \$0.4 million increase in FSET and Foster Care Administration funding and a decrease of \$2.2 million in funding for various other programs. Also included is the use of \$2.9 million of CalWORKs Incentive funds. HSS believed that the CalWORKs Incentive funds were going to be taken back by the state last year; however, unspent funds were reinstated to the counties and are currently available for use. Some of the available funds will be used to retain contracted services provided to CalWORKs clients.
- ◆ It is expected that funding for DCS programs will remain at the current levels of appropriation, which results in an increase of \$3.1 million over the prior fiscal year.
- ◆ It is estimated that funding for DAAS programs will increase \$0.6 million over the prior fiscal year.

LOCAL COST

All HSS programs are state and/or federal mandates and the county share of funding is either mandated as a percentage of total program costs or as fixed maintenance of effort. County share is comprised of a combination of local funding sources and revenue from the Social Services Realignment fund. The Social Services Realignment fund was created during the State Realignment process to offset local cost and is limited to use for designated social services programs.

In aggregate the HSS Administrative Claim Budget Unit requires a net additional county share of cost of \$3.7 million. An additional \$1.9 million in General Fund Local Cost has been included in the targets approved by the Board. The remaining \$1.8 million will be provided from Realignment. Changes to local funding requirements are as follows:

- ◆ TAD programs will require \$0.2 million additional county share. While available funding has increased \$18.3 million, only \$0.2 million is required as a local share to match the additional FSET and Foster Care Administration funding. This very small increase in local share is possible because most TAD programs require a fixed Maintenance of Effort (MOE) as county share.
- ◆ DCS programs will require \$0.1 million more county share. A \$2.8 million increase in funding for Child Welfare Services (CWS) programs requires a match of only \$0.1 million in local share. A \$1.0 million increase in Adoptions program funding requires no local share. A \$0.7 million decrease in funding for other programs results in no local share savings.
- ◆ DAAS programs will require \$0.2 million additional county share. A \$0.6 million increase in funding for IHSS Administration and Adult Protective Services requires a match of \$0.2 million in local share.

- ◆ DAAS-IHSS Public Authority and cost of IHSS providers will require \$3.2 million more local funding. An expected increase of \$3.8 million for provider payments is due to an expected 12.4% increase in paid hours for services provided to clients. This increase is partially offset by an expected \$0.5 million reduction in negotiated medical benefits and a \$0.1 million decrease in local share required to fund the IHSS Public Authority

The need for additional revenue from Realignment is driven by the increase in county share of cost for programs as outlined above and the practice of financing most local share increases and local financing decreases with revenue from Realignment. Total additional revenue required from Realignment is \$1.8 million. This represents the net effect of increased local share and local funding lost as a result of the state budget impact.

Due to declining sales tax revenues, and the fact that growth will now occur on a lower base amount, it will soon be impossible for Realignment to continue to fund all of the additional costs associated with mandated HSS programs. The draw on the Social Services Realignment Fund has begun to increase rapidly and is projected to continue to increase at a pace that will soon surpass receipts. When this occurs local county general fund dollars will then be required to pay for any mandated HSS program costs that cannot be covered by Realignment.

	2003-04 Estimated	2004-05 Proposed Budget	Inc/(Dec)
Administrative Claim budget	12.2	10.8	(1.4)
IHSS provider payments/benefits	28.3	33.2	4.9
IHSS Public Authority	0.2	0.3	0.1
Foster Care	25.0	28.2	3.2
Aid to Adoptive Children	2.0	2.8	0.8
Seriously Emotionally Disturbed Children	1.3	1.5	0.2
Total Social Services	69.0	76.8	7.8
Probation	4.3	3.8	(0.5)
California Children's Services	1.5	1.5	-
Financial Administration-MOE	1.8	1.8	-
Grand Total	76.6	83.9	7.3



**History of Social Services Realignment and Local Cost
HSS Administrative Budget and Subsistence Budgets**

	99/00	00/01	01/02	02/03	03/04 estimated	04/05 proposed budget
<u>Administrative budget (DPA)</u>						
Realignment	8.0	8.4	10.4 *	15.8 **	12.2	10.8
Local cost	8.2	11.4	13.1	12.3	11.5	13.3
<u>IHSS Providers (DPA)</u>						
Realignment	12.7	14.2	18.4	23.5	28.3	33.2
<u>IHSS Public Authority (DPA)</u>						
Realignment			0.1	0.2	0.2	0.3
<u>Foster Care (BHI)</u>						
Realignment	16.7	19.1	21.4	23.3	25.0	28.2
Local cost	14.2	16.7	14.0	13.9	13.8	13.5
<u>Aid to Adoptive Children (ATC)</u>						
Realignment	0.5	0.5	0.7	1.5	2.0	2.8
Local cost	0.3	0.6	1.0	0.9	1.2	1.2
<u>Seriously Emotionally Disturbed (SED)</u>						
Realignment	0.9	0.9	0.9	1.5	1.3	1.5
Local cost	0.3	0.5	0.7	0.5	0.7	0.7
<u>All other subsistence budgets</u>						
Local cost	6.3	4.7	6.1	6.5	6.6	7.5
Total Realignment	38.8	43.1	51.9	65.8	69.0	76.8
Total Local cost	29.3	33.9	34.9	34.1	33.8	36.2
Grand Total	68.0	77.0	86.8	99.9	102.8	113.0

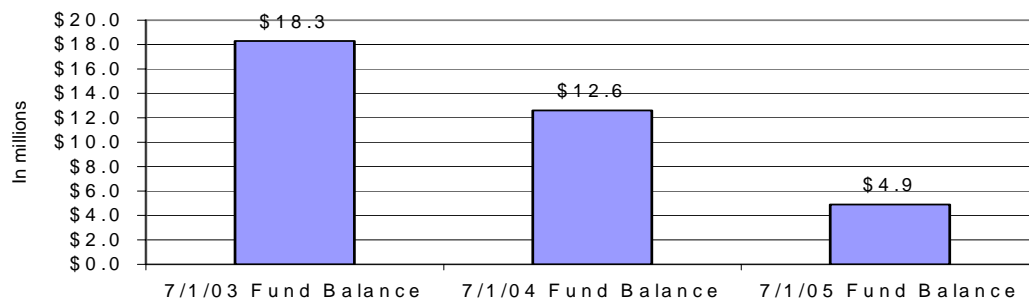
* 01/02 Includes one-time needs of \$300,000

** 02/03 Includes one-time needs of \$4.6 million

**Social Services Realignment Fund Balance
(in millions)**

2003-04	Activity	Change
July 1, 2003 Fund Balance	18.3	
Estimated Expenditures	(76.6)	
Estimated Revenues	65.7	
10% Transfer from Beh. Health	5.2	
June 30, 2004 Estimated Fund Balance	12.6	(5.7)
2004-05	Activity	Change
July 1, 2004 Estimated Fund Balance	12.6	
Estimated Expenditures	(83.9)	
Estimated Revenues	70.9	
10% Transfer from Beh. Health	5.3	
June 30, 2005 Estimated Fund Balance	4.9	(7.7)

Social Services Realignment Fund Balance



Departments included in the Administrative Claim budget are summarized as follows:

**FUNDING AND STAFFING BY PROGRAM
2004-05**

Transitional Assistance Department	Appropriation	Revenue	Local Share	Staffing
CalWorks - Eligibility	32,768,889	30,695,170	2,073,719	422.0
Food Stamps	34,121,587	26,255,317	7,866,270	440.4
CalWorks - Welfare to Work	38,146,965	38,146,965	-	367.0
Medi-Cal	49,902,491	49,902,491	-	644.0
Foster Care Administration	5,009,137	4,257,766	751,371	64.6
Child Care Administration	15,028,616	15,015,463	13,153	193.7
CalWorks - Mental Health	4,714,587	4,714,587	-	-
Cal-Learn	1,683,818	1,683,818	-	-
C-IV Consortium Funding	1,931,565	1,931,565	-	14.0
CalWorks - Incentive Funds	2,823,911	2,823,911	-	-
General Relief Administration	527,521	-	527,521	5.0
Other Programs	1,488,347	1,942,487	(454,140)	-
Total	188,147,434	177,369,540	10,777,894	2,150.7

Department of Children's Services	Appropriation	Revenue	Local Share	Staffing
Child Welfare Services	71,955,653	62,158,653	9,797,000	786.5
Promoting Safe and Stable Families	2,807,608	2,807,608	-	-
Foster Training and Recruitment	231,363	231,363	-	2.5
Licensing	809,753	809,753	-	-
Support and Therapeutic Options Program	863,299	604,309	258,990	-
Adoptions	4,020,406	4,020,406	-	44.0
ILP	2,196,491	2,196,491	-	24.0
Other Programs	1,181,533	1,181,533	-	13.0
Total	84,066,106	74,010,116	10,055,990	870.0

Aging and Adult Services	Appropriation	Revenue	Local Share	Staffing
In-Home Supportive Services	11,301,764	9,585,484	1,716,280	128.3
Adult Protective Services	5,061,253	4,837,356	223,897	52.4
IHSS Provider Payments	32,667,434	-	32,667,434	-
IHSS Provider Benefits	500,000	-	500,000	-
Contribution to Aging	420,906	-	420,906	-
IHSS PA	319,141	-	319,141	-
Other Programs	-	-	-	-
Total	50,270,498	14,422,840	35,847,658	180.7

Support	Staffing
	375.3

Non Revenue Generating Costs	Appropriation	Revenue	Local Share	Staffing
PERC Training Expense	150,000	-	150,000	-
PERC Ethics Training	195,000	-	195,000	-
LLUMC - Child Assess Center	130,000	-	130,000	-
Other	423,308	-	423,308	-
Total	898,308	-	898,308	-

Total Local Share **57,579,850**

Social Services Realignment **44,249,808**

Grand Total Administrative Budget **323,382,345** **265,802,496** **13,330,042** **3,576.7**



Changes, by department, are as follows:

TRANSITIONAL ASSISTANCE DEPARTMENT (TAD)

STAFFING CHANGES

Increases in funding as a result of additional program/workload requirements, have allowed TAD to add 131.0 positions since the reductions made in the 2003-04 budget.

- ◆ 115 net positions were added in the December 2, 2003 Adjustment. Of these, 100 were unclassified Eligibility Worker II positions that are defined as serving at the pleasure of the appointing authority and are subject to available program funding.
- ◆ 25 additional Public Service Employee (PSE) positions are being added to provide temporary translator help in TAD offices. If adequate funding is received, TAD will request permanent positions.
- ◆ 9 positions have been moved from TAD to HSS Information Technology Support Division (ITSD) to assist with the development and implementation of Consortium IV, the statewide automated welfare system that will be operational in November 2004. Many of these positions will return to TAD at some point after implementation.

Most of these TAD staffing increases are necessary because of additional reporting and performance requirements of the Medi-Cal Program. Additional federal and state funding has been allocated to counties as a result of these requirements.

PROGRAM CHANGES

Increases in staffing levels made possible by increased Food Stamp and Medi-Cal funding have allowed TAD to enhance service levels to clients in an effort to meet mandated performance requirements. Stagnation of other funding, primarily CalWORKs, has forced TAD to streamline its methods of service delivery. In an effort to accomplish more with less, TAD has moved CalWORKs Employment Services Program staff from some stand-alone offices into a few of the larger TAD offices. This results in substantial savings of leased facility costs and centralization of services for CalWORKs clients. Clients can now apply for aid, obtain Employment Services counseling, arrange for training assistance, and coordinate subsidized child-care in one office. This effort to co-locate offices will continue into 2005.

CalWORKs Incentive Funds – When building the 2003-04 budget, all indications were that these funds would no longer be available and TAD made appropriate reductions to expenditures for goods and services provided to clients. These funds were restored in the 2003-04 state budget process and now, unless new legislative action is taken, any unspent funds can be rolled over into subsequent years. \$21.4 million is currently available for use. Expenditures are limited to the direct support of CalWORKs clients in the form of goods or services, including services provided by TAD staff. Because of the limited-time nature of these funds, they are not planned to be used to support staff or other ongoing costs in 2004-05. However, it may be necessary to utilize these funds to bridge the gap between increases in staffing costs and reductions in allocations in future years. In 2004-05, \$2.8 million of these funds will be used to support current levels of Transportation and Ancillary services to CalWORKs clients.

DEPARTMENT OF CHILDREN'S SERVICES (DCS)

STAFFING CHANGES

Increases in funding have allowed DCS to add 7.0 positions since the reductions made in the 2003-04 budget.

- ◆ 8 net positions were added in the December 2, 2003 Adjustment.
- ◆ 2 PSE positions are being added to provide Parent Relations Program services. DCS will work with Human Resources to establish a new classification and recruit permanent positions.
- ◆ 3 positions are being added to correct dual-fill situations in DCS funded County Counsel positions.
- ◆ 6 positions have been moved from DCS to HSS ITSD. It has been determined that these positions have never been funded directly by DCS. They have been moved to ITSD to more appropriately reflect their reporting authority.



PROGRAM CHANGES

Funding increases have allowed DCS to add \$2.0 million to expenditures for direct services to clients. These expenditures are for services and supplies provided to clients in an effort to keep families intact. All such expenditures are directly charged to the Child Welfare Services allocation and will have no effect on other components of the HSS Administrative Claim budget unit. Net funding increases of \$3.1 million for DCS programs require a match of only \$0.1 million in local share.

DEPARTMENT OF AGING AND ADULT SERVICES (DAAS)

STAFFING CHANGES

Funding increases have allowed DAAS to add 1.0 Supervising Public Health Nurse position to direct medical services to medically fragile adults in the IHSS and APS programs. The position will also supervise other Public Health Nurses in various Aging programs. Formerly these services were provided via a contract with the Public Health department.

PROGRAM CHANGES

IHSS - Individual Provider costs. This program is an entitlement program that provides personal and domestic services for aged, blind and disabled persons, enabling them to remain in their homes rather than be institutionalized. Paid hours to IHSS providers in 2004-05 are expected to increase 12.4% over 2003-04. Local funding is required for the county share of the IHSS Individual Provider wages and benefits, and the operating costs of the IHSS Public Authority. An additional \$3.2 million of local funding is necessary due to projected caseload growth in 2004-05.

Additionally, local cost is given to the Aging budget through the HSS Administrative Claim budget to fund local match requirements in several Aging programs (Senior Employment, Supportive Services, Ombudsman, and Nutrition programs). In 2004-05, local cost budgeted in this budget unit will fund the following Aging programs:

Senior Employment Program	Local Share Match	36,000
Title III/VII Programs (Supportive Services Ombudsman, Nutrition)	Local Share Match	119,000
Title IIIIE Family Caregiver Program	Local Share Match	117,906
Nutrition Program	Additional Local Share	148,000
	Total	<u>420,906</u>

SUPPORT DIVISIONS

STAFFING CHANGES

Given the uncertainties of the state budget situation, HSS has been prudent with regards to staffing decisions. No additional administrative staff has been added since the reductions made in the 2003-04 budget. Any increases to staffing made possible by the availability of increased funding have been made only in those programs providing direct services to clients. 15 positions have been shifted from departments as follows:

- ◆ 9 positions have been moved from TAD to HSS ITSD to assist with the development and implementation of Consortium IV, the statewide automated welfare system that will be operational in November 2004. Many of these positions will return to TAD at some point after implementation.
- ◆ 6 positions have been moved from DCS to ITSD. It has been determined that these positions have never been funded directly by DCS. They have been moved to ITSD to more appropriately reflect to their reporting authority.

Neither of these staffing shifts has actually resulted in additional support staff, but have been made to correct organizational reporting and funding structures.



PROGRAM CHANGES

Net budget increases of \$2.4 million have been made in administrative overhead costs, which are shared by all HSS departments in this budget unit. The intent of these budget increases is to restore services, supplies and equipment appropriations to actual expenditure levels experienced to date in 2003-04. Resulting cost increases have been allocated among all programs included in this budget unit.

The following chart provides an overview of the funding sources and local share requirements for the programs that are budgeted in the HSS Administrative Claim budget.

REVENUE SOURCE AND LOCAL COST BREAKDOWN

	Appropriation	Revenue					Local Cost	% Local Cost	
		Federal	% Federal	State	% State	Total Federal/State	Local Share		
Transitional Assistance Department									
Food Stamps	34,121,587	14,917,936	44%	11,337,381	33%	26,255,317	7,866,270	23%	This is the fixed County MOE for the CalWorks Single Allocation which is split between Eligibility and Food Stamps. \$9,939,989
Single Allocation									
CalWorks - Eligibility	32,768,889	21,967,087	67%	8,728,082	27%	30,695,169	2,073,720	6%	
CalWorks - Mental Health	4,714,587	-	-	4,714,587	100%	4,714,587	-	-	
CalWorks - Cal-Learn	1,683,818	841,909	50%	841,909	50%	1,683,818	-	-	
CalWorks - Welfare to Work	38,146,965	38,146,965	100%	-	-	38,146,965	-	-	
CalWorks - Child Care Admin - Stage	6,868,167	6,868,167	100%	-	-	6,868,167	-	-	
Total Single Allocation	84,182,426	67,824,128		14,284,578		82,108,706	2,073,720		Remainder of Single Allocation for Stage 1 Childcare is \$38,919,611 (provider payments) and is accounted for in ETP budget.
Medi-Cal	49,902,491	24,951,246	50%	24,951,246	50%	49,902,491	-	-	
Foster Care Administration	5,009,137	2,616,682	52%	1,641,084	33%	4,257,766	751,371	15%	
Child Care Administration									All childcare totals are for administration only. The remainder of these allocations are budgeted within the ETP budget.
Stage 2	5,992,237	5,215,265		776,972		5,992,237	-	-	
Stage 3	1,456,155	1,101,768		354,387		1,456,155	-	-	
CPS - GAPP	148,855	-		135,702		135,702	13,153		This is the fixed County MOE for Childcare Administration. \$13,153
Federal Block Grant - FAPP	563,202	563,202		-		563,202	-	-	
C-IV Consortium Funding	1,931,565	-	-	1,931,565	100%	1,931,565	-	-	
CalWorks - Incentive Funds	2,823,911	2,823,911	100%	-	-	2,823,911	-	-	
General Relief Administration	527,521	-	-	-	-	-	527,521	100%	This total includes \$80,000 for Out-Stationed Eligibility Workers, 200,000 for Fraud Collection, 485,000 for PERC revenue collected, 20,000 from Sheriff for children assesment, 55,000 from State
Food Stamp Employment Training	1,170,181	784,321	67%	-	0%	784,321	385,860	33%	
Other	318,166	318,063	100%	103	0%	318,166	(840,000)		
Total	188,147,434	121,116,522		55,413,018		176,529,540	10,777,895		
Department of Children's Services									
Child Welfare Services - Basic	65,037,718	33,438,333	51%	21,399,385	33%	54,837,718	10,200,000	16%	
Child Welfare Services - Augmentation	6,917,935	3,574,615	52%	3,343,320	48%	6,917,935	-	-	Augmentation Funds shall be expressly used for Emergency Response, Family Maintenance, and Permanent Placement components of CWS and shall not be used to supplant existing CWS funds. These funds will be available only by exhausting the total CWS Basic allocation. Failure to fully expend budgeted funds would result in reduction
CWS Total	71,955,653	37,012,948		24,742,705		61,755,653	10,200,000		
Promoting Safe and Stable Families	2,807,608	2,807,608	100%	-	-	2,807,608	-	-	
Foster Training and Recruitment	231,363	143,422	62%	87,941	38%	231,363	-	-	
Licensing	809,753	366,818	45%	442,935	55%	809,753	-	-	
Support and Therapeutic Options Program	863,299	-	-	604,309	70%	604,309	258,990	30%	
Adoptions	4,020,406	1,905,672	47%	2,114,734	53%	4,020,406	-	-	
ILP	2,196,491	2,196,491	100%	-	0%	2,196,491	-	-	
Other Programs	1,181,533	501,440	42%	680,093	58%	1,181,533	(403,000)		This total includes \$120,000 for Child Development Grant, 89,000 from CAPIT, 40,000 reimbursement for medical exams for children, 30,000 sales, 80,000 fees, 44,000 Healthy Start.
Total	84,066,106	44,934,399		28,672,717		73,607,116	10,055,990		
Aging and Adult Services									
In-Home Supportive Services	11,301,764	5,580,830	49%	4,004,654	35%	9,585,484	1,716,280	15%	This is the fixed County MOE for Adult Protective Services Administration. \$223,897
Adult Protective Services	5,061,253	2,218,094	44%	2,619,262	52%	4,837,356	223,897	4%	
IHSS Provider Payments Local Match	32,667,434	-	-	-	-	-	32,667,434	100%	IHSS Provider Payments - State pays providers and the county is only billed for its local share of
IHSS Provider Benefits Local Match	500,000	-	-	-	-	-	500,000	100%	
IHSS PA Local Cost Match	319,141	-	-	-	-	-	319,141	100%	
Contribution to Aging Programs	420,906	-	-	-	-	-	420,906	100%	
Other Programs	-	-	-	-	-	-	-	-	
Total	50,270,498	7,798,924		6,623,916		14,422,840	35,847,657		
1,715,047									
Non Revenue Generating Costs									
PERC Training Expense	150,000	-	-	-	-	-	150,000	100%	
PERC Ethics Training	195,000	-	-	-	-	-	195,000	100%	
LLUMC - Child Assess Center	130,000	-	-	-	-	-	130,000	100%	
Other	423,308	-	-	-	-	-	423,308	100%	
Total	898,308	-		-		-	898,308		
Total Administrative Budget	323,382,346	173,849,845	54%	90,709,651	28%	264,559,496	57,579,850	17.8%	

This is the fixed County MOE for the CalWorks Single Allocation which is split between Eligibility and Food Stamps. \$9,939,989

Remainder of Single Allocation for Stage 1 Childcare is \$38,919,611 (provider payments) and is accounted for in ETP budget.

All childcare totals are for administration only. The remainder of these allocations are budgeted within the ETP budget.

This is the fixed County MOE for Childcare Administration. \$13,153

This total includes \$80,000 for Out-Stationed Eligibility Workers, 200,000 for Fraud Collection, 485,000 for PERC revenue collected, 20,000 from Sheriff for children assessment, 55,000 from State

Augmentation Funds shall be expressly used for Emergency Response, Family Maintenance, and Permanent Placement components of CWS and shall not be used to supplant existing CWS funds. These funds will be available only by exhausting the total CWS Basic allocation. Failure to fully expend budgeted funds would result in reduction

This total includes \$120,000 for Child Development Grant, 89,000 from CAPIT, 40,000 reimbursement for medical exams for children, 30,000 sales, 80,000 fees, 44,000 Healthy Start.

This is the fixed County MOE for Adult Protective Services Administration. \$223,897

IHSS Provider Payments - State pays providers and the county is only billed for its local share of IHSS medical benefits local match of \$500,000.



DEPARTMENT: HSS Administrative Claim Budget
 FUND: General
 BUDGET UNIT: AAA DPA

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	-	-	-	-
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	12,358,155	10,504,432	1,853,723
Internal Service Fund Adjustments	-	2,052,889	1,744,956	307,933
Other Required Adjustments	123.0	25,911,990	25,911,990	-
Subtotal	123.0	40,323,034	38,161,377	2,161,657
Board Approved Adjustments During 2003-04				
Mid-Year Board Items	-	(780,000)	(780,000)	-
Subtotal	-	(780,000)	(780,000)	-
Impacts Due to State Budget Cuts	-	-	298,365	(298,365)
TOTAL BASE BUDGET	123.0	39,543,034	37,679,742	1,863,292
Department Recommended Funded Adjustments	31.0	(13,825,402)	(13,825,402)	-
TOTAL 2004-05 PROPOSED BUDGET	154.0	25,717,632	23,854,340	1,863,292

SCHEDULE B

DEPARTMENT: HSS Administrative Claim Budget
 FUND: General
 BUDGET UNIT: AAA DPA

IMPACTS DUE TO STATE BUDGET CUTS

Brief Description of State Budget Cuts	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
All Departments	-	-	298,365	(298,365)
Local cost cut due to State budget impact to general fund. Will use Realignment revenue if available.				
Total	-	-	298,365	(298,365)



SCHEDULE C

DEPARTMENT: HSS Administrative Claim Budget
 FUND: General
 BUDGET UNIT: AAA DPA

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENT

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
1. TAD-Eligibility: Add 25 PSE Translators Addition of 25 translators for temporary help in Transitional Assistance offices. If funding is received, TAD will ask for permanent positions.	25.0	593,500	593,500	-
2. DCS: Add 2 PSEs for Parent Relations Program To fill an immediate need for a new program initiative, Dept will work with HR to develop a new classification and begin recruitment process to hire regular employees.	2.0	66,292	66,292	-
3. DCS: Add 1 Deputy County Counsel IV, 1 Clerk II, and 1 Clerk III position Positions are located in County Counsel and funded with DCS funding. Positions are needed to correct three dual-fill situations. Not adding staff.	3.0	-	-	-
4. DAAS: Add 1 Supv Public Health Nurse DAAS previously contracted with Public Health for the services provided by this position. Position will now be budgeted in this budget unit.	1.0	83,430	83,430	-
5. HSS Admin: Add 1 Statistical Methods Analyst To correct an underfill situation.	1.0	-	-	-
6. HSS Admin: Delete 1 Social Services Practitioner Deletion of position currently being underfilled by Statistical Methods Analyst	(1.0)	-	-	-
7. All departments: Decrease in salaries and benefits Adjustment due to over-budgeting salaries and benefits in 2003-04 midyear budget adjustment, as a result of over-estimating increases in retirement, workers comp, salary increases, and under-estimating attrition	-	(6,901,476)	(6,901,476)	-
8. All departments: Reductions in services and supplies Decreases in COWCAP, system development charges, computer hardware and software, public legal notices, equipment, maintenance of equipment, data processing equipment, professional services	-	(4,437,500)	(4,437,500)	-
9. TAD: Reductions in services to clients Decreases in client transportation and childcar capacity building	-	(2,952,402)	(2,952,402)	-
10. HSS Admin: Increase in fixed asset equipment Fork lift purchase for warehouse	-	25,000	25,000	-
11. All Departments: Decrease in fixed asset vehicles No vehicles budgeted	-	(350,000)	(350,000)	-
12. All Departments: Decrease in lease-purchased equipment Reduction due to completed lease-purchases for equipment purchased in prior years	-	(131,408)	(131,408)	-
13. All Departments: Increases in Transfers and Reimbursements Increases in building lease payments, offset by decreases in MOUs with other County depts.	-	179,162	179,162	-
Total	31.0	(13,825,402)	(13,825,402)	-



Domestic Violence/Child Abuse Services

DESCRIPTION OF MAJOR SERVICES

This budget unit provides for a number of contracts with agencies to ensure temporary shelter, food, transportation, emergency services and treatment/counseling for adults and children who are victims of domestic violence and child abuse. The domestic violence program under SB 1246 is funded by a surcharge on marriage licenses. The child abuse prevention program is funded by a state grant and revenues generated from a surcharge placed on certified copies of birth certificates. Revenues from the surcharges are deposited in special revenue funds and used to fund the contractors. These three revenue sources provide 100% of the funding for this program.

There is no county general fund contribution nor staffing associated with this budget unit.

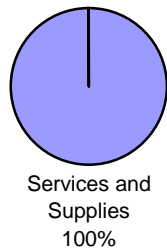
BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	1,394,071	1,380,611	1,369,500	1,411,699
Total Financing Sources	1,371,855	1,380,611	1,369,500	1,411,699
Local Cost	22,216	-	-	-

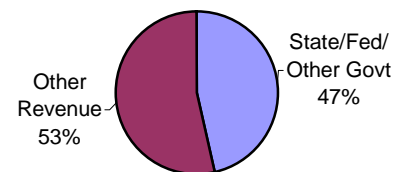
Workload Indicators

SB 1246 Contracts	\$315,000	\$285,000	\$283,500	\$292,005
AB 2994 Contracts	\$447,631	\$447,631	\$449,400	\$462,882
AB 1733 Contracts	\$628,036	\$647,980	\$636,600	\$656,812

2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY



2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
 DEPARTMENT: Domestic Violence/Child Abuse
 FUND: General

BUDGET UNIT: AAA DVC
 FUNCTION: Public Assistance
 ACTIVITY: Aid Programs

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
Appropriation								
Services and Supplies	1,369,500	1,380,611	31,088	-	-	1,411,699	-	1,411,699
Total Appropriation	1,369,500	1,380,611	31,088	-	-	1,411,699	-	1,411,699
Departmental Revenue								
State, Fed or Gov't Aid	636,600	647,611	9,201	-	-	656,812	-	656,812
Total Revenue	636,600	647,611	9,201	-	-	656,812	-	656,812
Operating Transfers In	732,900	733,000	21,887	-	-	754,887	-	754,887
Total Financing Sources	1,369,500	1,380,611	31,088	-	-	1,411,699	-	1,411,699
Local Cost	-	-	-	-	-	-	-	-

The revenue sources for this program include two special revenue funds generated from surcharges on the sale of birth certificates (SDL DPA) and marriage licenses (SDP DVC). Each fund is permitted to carry-over fund balances from year-to-year should revenues outpace the contracts awarded in any given year. Cash receipts in 2003-04 have not kept pace with the contracts awarded, resulting in a drawdown of the fund balances. This trend is expected to continue indefinitely. Rather than making the entire fund balances available for contracts in 2004-05, contract amounts will be increased only three percent (3%) in order to delay the inevitable exhaustion of the fund balances. This strategy should bolster steady growth in contractor awards for the next five years when, barring state legislation to increase surcharges, the fund balances will be exhausted and contracts will depend entirely on fluctuating yearly cash receipts.

DEPARTMENT: Domestic Violence/Child Abuse
 FUND: General
 BUDGET UNIT: AAA DVC

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	-	1,380,611	1,380,611	-
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	-	-	-
Internal Service Fund Adjustments	-	-	-	-
Prop 172	-	-	-	-
Other Required Adjustments	-	31,088	31,088	-
Subtotal	-	31,088	31,088	-
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	-	-
TOTAL BASE BUDGET	-	1,411,699	1,411,699	-
Department Recommended Funded Adjustments	-	-	-	-
TOTAL 2004-05 PROPOSED BUDGET	-	1,411,699	1,411,699	-



Entitlement Payments (Childcare)

DESCRIPTION OF MAJOR SERVICES

All childcare programs administered by the Transitional Assistance Department (TAD) are budgeted within this unit. This expanded program is one of the major programs of the federal welfare reform and the resulting state CalWORKs program. The expanded programs are intended to fund childcare for CalWORKs recipients that are seeking employment or have obtained employment and continue through employment stabilization for a period of up to two years. This budget unit also incorporates the program that funds childcare for families in which the child is under the auspices of the Department of Children's Services and is at risk of parent abuse or neglect. Childcare provider payments are 100% federal and state funded through reimbursements by the state.

There is no staffing associated with this budget unit.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	90,882,476	93,919,917	83,838,051	82,397,695
Departmental Revenue	90,884,155	93,919,917	83,838,051	82,397,695
Local Cost	(1,679)	-	-	-

Workload Indicators

Average Monthly Caseload	21,078	20,462	19,105	18,682
Average Monthly Aid	\$357	\$382	\$366	\$368

Actual allocations/grants are lower than budgeted. However, appropriations and revenues have not been completely adjusted to date. In June 2003, the California Department of Education (CDE) released the allocations to Counties for Stages 2 and 3, Alternative Payment (CPS) and the Federal Block Grant. On July 8th, 2003, the department presented to the Board all 2003-04 childcare allocations. In December, 2003 and January, 2004 the department received allocation reductions from CDE of \$4.7 million in Stages 2 & 3, which were presented to the Board on March 2, 2004 (item #35). An additional reduction of \$500,000 is expected for Stage 2 and will be presented to the Board in May 2004. These reductions are due to reduced caseload and State regulated payment reductions to childcare providers.

Budgeted and actual allocations and contracts for childcare services are shown on the following page:

Program	FY 03/04 Budget	Actual Contract / Allocation Amounts	Revised Contract / Allocation Amounts	Total Funding
Stage 1 CalWORKs	47,873,762	40,124,291	-	40,124,291
Stage 2 Contracts	31,295,161	33,923,131	(2,009,934)	31,913,197
Stage 3 Contracts	10,716,622	12,111,650	(3,134,269)	8,977,381
Alternative Payment Contract State contract (Child Protective Services)	842,898	952,429	205,445	1,157,874
Federal Block Grant State contract (working poor)	3,191,475	3,441,079	(466,288)	2,974,791
Total	93,919,918	90,552,580	(5,405,046)	85,147,534

(Not including administrative costs calculated at approx 10.2% of actual allocation)



Based on caseload trends for the eighteen-month period from Oct '02 through March '04, it is projected that overall, expenditures will be:

- under budget by \$10.1 million.
- less than actual allocations by \$1.3 million.

While projected expenditures are \$83.8 million, actual allocations to date are \$85.1 million. This projection is based on caseload trends from July 2002 to December 2003.

Childcare provider payments are 100% Federal and State funded through reimbursements by the State.

GROUP: Human Services System
DEPARTMENT: Entitlement Payments
FUND: General

BUDGET UNIT: AAA ETP
FUNCTION: Public Assistance
ACTIVITY: Aid Programs

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
<u>Appropriation</u>								
Other Charges	83,838,051	93,919,917	(5,540,811)	-	-	88,379,106	(5,981,411)	82,397,695
Total Appropriation	83,838,051	93,919,917	(5,540,811)	-	-	88,379,106	(5,981,411)	82,397,695
<u>Departmental Revenue</u>								
State, Fed or Gov't Aid	83,838,051	93,919,917	(5,540,811)	-	-	88,379,106	(5,981,411)	82,397,695
Total Revenue	83,838,051	93,919,917	(5,540,811)	-	-	88,379,106	(5,981,411)	82,397,695
Local Cost	-	-	-	-	-	-	-	-

In comparison to budget 2003-04, it is projected that average monthly paid cases will decrease in 2004-05 by 8.7% due to clients reaching the 60-month time limit. Average monthly aid in 2004-05 is projected to decrease by 3.7% due to regional market rate reductions that are established by the state to pay child care providers.

Childcare provider payments are 100% federal and state funded through reimbursements by the state. There is no local cost.



DEPARTMENT: Entitlement Payments
 FUND: General
 BUDGET UNIT: AAA ETP

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	-	93,919,917	93,919,917	-
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	-	-	-
Internal Service Fund Adjustments	-	-	-	-
Prop 172	-	-	-	-
Other Required Adjustments	-	(5,540,811)	(5,540,811)	-
Subtotal	-	(5,540,811)	(5,540,811)	-
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	-	-
TOTAL BASE BUDGET	-	88,379,106	88,379,106	-
Department Recommended Funded Adjustments	-	(5,981,411)	(5,981,411)	-
TOTAL 2004-05 PROPOSED BUDGET	-	82,397,695	82,397,695	-

SCHEDULE C

DEPARTMENT: Entitlement Payments
 FUND: General
 BUDGET UNIT: AAA ETP

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Caseload and RMR reductions	-	(5,981,411)	(5,981,411)	-
The Regional Market Rate that is established by the state to pay child care providers was reduced by up to 10% as of January 1st 2004. Caseload is projected to continue to decrease by 8.7% due to clients reaching the 60 month time limit.				
Total	-	(5,981,411)	(5,981,411)	-



Out-of-Home Child Care

DESCRIPTION OF MAJOR SERVICES

This program provides assistance payments for room, board and care for those children pending determination of eligibility for state or federal aid, those who are ineligible due to other resources, or those who are illegal aliens. Some of these children have serious emotional and medical problems, which increase the difficulty of locating appropriate facilities for their care. Costs for this program can fluctuate based on the unique nature and requirements of each individual case. This program is 100% locally funded.

There is no staffing associated with this budget unit.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	383,622	338,164	337,991	367,618
Departmental Revenue	-	-	-	-
Local Cost	383,622	338,164	337,991	367,618

Workload Indicators

Paid Cases Per Month	22	32	24	25
Average Monthly Aid	\$1,471	\$890	\$1,174	\$1,225

Workload indicators for 2002-03 were incorrectly stated in last year's budget book. The paid cases per month and average monthly aid numbers have been corrected.

Expenditures for this budget are relatively inconsistent from month to month, depending upon the number of non-aided children placed in emergency shelter care.

Through the first nine months of the fiscal year \$282,495, or 84%, has been expended. Each year the Department of Children's Services (DCS) makes a determination of cases that should be funded with Federal and State money and retroactively funds OCC cases with Child Welfare Services funds. In January of 2004 DCS funded \$187,000 in prior OCC cases and in May the department will fund an additional \$100,000.

Based on data from the previous 12 months it is anticipated that expenditures will be approximately \$337,991. With the exception of those cases mentioned above, no other state and federal revenue is received for this program. It is funded entirely by local funds.

GROUP: Human Services System
DEPARTMENT: Out-of-Home Child Care
FUND: General

BUDGET UNIT: AAA OCC
FUNCTION: Public Assistance
ACTIVITY: Aid Program

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
Appropriation								
Other Charges	337,991	338,164	29,454	-	-	367,618	-	367,618
Total Appropriation	337,991	338,164	29,454	-	-	367,618	-	367,618
Local Cost	337,991	338,164	29,454	-	-	367,618	-	367,618



Paid cases per month are projected to drop by 22% from the previous year due to the Department of Children's Services ability to more efficiently help children qualify for federal and state programs. Average monthly aid per case is projected to increase by 38% due to:

- an increasing number of disturbed children have entered the child welfare system
- a shortage of facilities in the county that accept high-risk children at a reasonable placement rate.

DEPARTMENT: Out-of-Home Child Care
FUND: General
BUDGET UNIT: AAA OCC

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	-	338,164	-	338,164
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	-	-	-
Internal Service Fund Adjustments	-	-	-	-
Prop 172	-	-	-	-
Other Required Adjustments	-	29,454	-	29,454
Subtotal	-	29,454	-	29,454
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	-	-
TOTAL BASE BUDGET	-	367,618	-	367,618
Department Recommended Funded Adjustments	-	-	-	-
TOTAL 2004-05 PROPOSED BUDGET	-	367,618	-	367,618



Aid to Adoptive Children

DESCRIPTION OF MAJOR SERVICES

This program provides financial assistance to adopting parents who would otherwise not be able to provide for a child's special needs. The children, on whose behalf monies are paid, are disadvantaged personally or physically handicapped, or are adolescents. This program enables hard to place children to be adopted and taken out of the higher cost Foster Care program. This budget is funded approximately 48% state and 36% federal, with the remaining mandated 16% local share funded with Realignment and local cost.

There is no staffing associated with this budget unit.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	15,186,707	17,152,146	19,827,085	25,193,425
Departmental Revenue	14,252,485	15,946,603	18,621,542	23,987,882
Local Cost	934,222	1,205,543	1,205,543	1,205,543

Workload Indicators

Cases Per Month	1,926	2,343	2,404	2,869
Average Monthly Aid	\$656	\$610	\$687	\$732

As a result of unanticipated program growth, expenditures in this program are projected to exceed budget by \$2,674,939. Budgeted annual cases in 2003-04 are 28,110, a 22% increase over 2002-03 annual cases. However, caseload has grown even faster in 2003-04, and is now expected to grow to 28,847 annual cases (a 25% increase over 2002-03).

Average grant amounts have also increased significantly. Due to the high cost of care for these special-needs children, the actual average monthly grant amounts are projected to be \$687 (a 5% increase over the prior fiscal year).

Actual annual caseload and average monthly grant increases are shown below:

Fiscal Year	Annual Cases	% Increase	Average Monthly Grant Amount	% Increase
2000-01	14,652		\$525	
2001-02	18,696	28%	\$611	16%
2002-03	23,112	24%	\$656	7%
2003-04	28,847	25%	\$687	5%

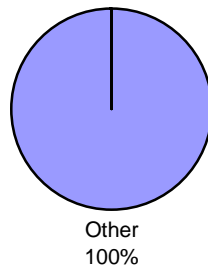
The growth in this program is attributed to State legislation, which became effective January 1, 2000, that encourages and promotes the adoption of children eligible for the program (AB 390). The legislation requires that the county provide prospective adoptive families with information on the availability of benefits, as well as reimbursement for nonrecurring expenses in the adoption of an eligible child. Additionally, there is no financial means test used to determine an adoptive family's eligibility for the program.

This program is approximately 84% funded with state and federal revenues, with a 16% local share. The local share is funded with a combination of Social Services Realignment and local cost.

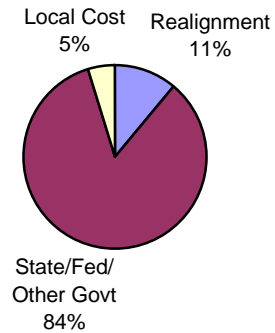


A Board Agenda Item was presented to the Board on April 20, 2004, which increased the 2003-04 budget appropriations \$2,674,939, state revenue \$1,332,501, federal revenue \$904,577 and Realignment \$437,861. The additional \$437,861 in Realignment will fund the increased local share required.

2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY



2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
DEPARTMENT: Aid to Adoptive Children
FUND: General

BUDGET UNIT: AAB ATC
FUNCTION: Public Assistance
ACTIVITY: Aid Programs

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G Department Recommended Funded Adjustments (Schedule C)	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget		2004-05 Proposed Budget
Appropriation								
Other Charges	19,827,085	17,152,146	7,042,256	-	-	24,194,402	999,023	25,193,425
Total Appropriation	19,827,085	17,152,146	7,042,256	-	-	24,194,402	999,023	25,193,425
Departmental Revenue								
Realignment	1,978,773	1,540,912	1,095,495	-	-	2,636,407	133,834	2,770,241
State, Fed or Gov't Aid	16,642,769	14,405,691	5,946,761	-	-	20,352,452	865,189	21,217,641
Total Revenue	18,621,542	15,946,603	7,042,256	-	-	22,988,859	999,023	23,987,882
Local Cost	1,205,543	1,205,543	-	-	-	1,205,543	-	1,205,543

Continued growth in caseload and average grant amount is due to the success of legislation mentioned earlier.

Estimated expenditures in 2004-05 are based on an overall anticipated total annual cases of 34,426, a 19% increase over 2003-04. Average monthly grant amounts are projected to be \$732, a 6.5% increase over 2003-04.

Total local share required in 2004-05 is \$3,975,784. The general fund contributes \$1,205,543 and Social Services Realignment will fund \$2,770,241. This is an increase of \$1,229,329 in Realignment needed to fund local share over 2003-04.



DEPARTMENT: Aid to Adoptive Children
 FUND: General
 BUDGET UNIT: AAB ATC

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	-	17,152,146	15,946,603	1,205,543
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	-	-	-
Internal Service Fund Adjustments	-	-	-	-
Prop 172	-	-	-	-
Other Required Adjustments	-	7,042,256	7,042,256	-
Subtotal	-	7,042,256	7,042,256	-
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	-	-
TOTAL BASE BUDGET	-	24,194,402	22,988,859	1,205,543
Department Recommended Funded Adjustments	-	999,023	999,023	-
TOTAL 2004-05 PROPOSED BUDGET	-	25,193,425	23,987,882	1,205,543

SCHEDULE C

DEPARTMENT: Aid to Adoptive Children
 FUND: General
 BUDGET UNIT: AAB ATC

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Increase in the Aid to Adoptive Children program.	-	999,023	999,023	-
The Adoption Assistance program (AAP) is a Federal mandated program under the Federal Adoption Assistance and Child Welfare Act of 1980, PL 96-272. Program administrators anticipate that the number of participants in this program will increase 530 participants during the Fiscal Year and 30 participants will leave the program because of age limits. Increased expenditures are due to increased participants and a projected 19% increase in the average monthly grant. This program is funded approximately 84% with state and federal revenues, with a 16% local share. The local share is funded with a combination of Social Services Realignment and local cost. HSS will fund the increase in 04/05 local share (\$133,834) with Social Services Realignment.				
Total	-	999,023	999,023	-



AFDC – Foster Care

DESCRIPTION OF MAJOR SERVICES

This program provides aid payments for children living in foster homes and group-care facilities. The Foster Care caseload consists of cases from both the Department of Children's Services (DCS) (approximately 90%) and Probation (approximately 10%). The cost of Probation related foster care cases is approximately 4.5 times greater than DCS cases due to the higher levels of care required for these juveniles.

There are two funding eligibility criteria in the Foster Care Program, federal (federal, state and county participation) and non-federal (state and county only). Foster Care placements are generally eligible for federal financial participation if the parents meet the previous Aid to Families with Dependent Children (AFDC) Program criteria.

- For federal cases, the cost-sharing ratios are approximately 43% federal, 22% state, and 35% County.
- For non-federal cases, the cost-sharing ratio is 40% state and 60% County.
- All county share-of-cost is mandated and is reimbursed from Social Services Realignment and the county general fund.

Additionally, this budget unit provides \$1.1 million in Social Services Realignment funding annually to the Probation Department to assist in operating the Fouts Springs Youth Facility. This facility is a boot-camp type of facility and is used as a diversionary program for delinquent youth.

There is no staffing associated with this budget unit.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	91,002,763	97,635,819	95,281,584	100,802,968
Departmental Revenue	77,072,926	83,857,781	81,503,546	87,328,206
Local Cost	13,929,837	13,778,038	13,778,038	13,474,762

Workload Indicators

Non Federal Annual Paid Cases	14,092	14,394	14,110	14,148
Non Federal Avg Paid Cases Per Month	1,174	1,200	1,176	1,179
Non Federal Avg Monthly Aid	\$1,573	\$1,685	\$1,563	\$1,602
Federal Annual Paid Cases	43,133	42,846	42,419	42,216
Federal Avg Paid Cases Per Month	3,594	3,571	3,535	3,518
Federal Avg Monthly Aid	\$1,569	\$1,687	\$1,700	\$1,825

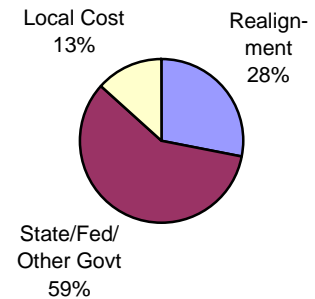
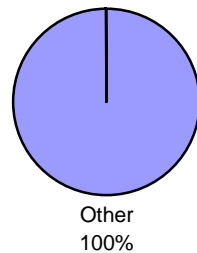
The variance between 2003-04 Budget and Estimate is due to declining caseload, partly due to cases shifting from the Foster Care program into the Kin-Gap program. It was projected that caseload would increase with the opening of the Vision Quest facility. This is an RCL 12 placement facility in which 72 youth were to be admitted beginning in October 2003. Most of these placements have been made and have not impacted the caseload numbers as anticipated due to continuing movement of children into Kin-Gap. This has resulted in the caseload being 1% lower than budgeted.

Additionally, the non-federal cost per case is now projected to be 7% less than budget. Increases in recent years are due to the severe statewide shortage of foster family homes and intensive treatment facilities for seriously troubled children. These children are being placed in higher cost Foster Family Agencies and Group Homes.



2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY

2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
DEPARTMENT: AFDC - FOSTER CARE
FUND: General

BUDGET UNIT: AAB BHI
FUNCTION: Public Assistance
ACTIVITY: Aid Programs

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G Department Recommended Funded Adjustments (Schedule C)	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget		2004-05 Proposed Budget
Appropriation								
Other Charges	94,181,584	96,535,819	3,435,641	-	-	99,971,460	(268,492)	99,702,968
Transfers	1,100,000	1,100,000	-	-	-	1,100,000	-	1,100,000
Total Appropriation	95,281,584	97,635,819	3,435,641	-	-	101,071,460	(268,492)	100,802,968
Departmental Revenue								
Realignment	24,979,880	25,751,614	2,196,490	-	-	27,948,104	240,403	28,188,507
State, Fed or Gov't Aid	55,803,666	57,406,167	1,075,453	-	-	58,481,620	658,079	59,139,699
Other Revenue	720,000	700,000	163,698	-	(863,698)	-	-	-
Total Revenue	81,503,546	83,857,781	3,435,641	-	(863,698)	86,429,724	898,482	87,328,206
Local Cost	13,778,038	13,778,038	-	-	863,698	14,641,736	(1,166,974)	13,474,762

The Foster Care caseload has experienced a decline in recent years, partly due to cases shifting from the Foster Care program into the Kin-Gap program. Caseloads are projected to remain stable in FY 2004-05.

While caseloads have been declining, costs for these cases continue to increase. This is due to the severe statewide shortage of foster family homes and intensive treatment facilities for seriously troubled children. These children are being placed in higher cost Foster Family Agencies and Group Homes.

Average grants in FY 2004-05 are projected to be 7% higher than FY 2003-04. The rising cost per case is a statewide problem. The Governor is currently looking for solutions to control the rising costs, but it is not known when any new legislation or procedures will be handed down.

The U.S. District Court issued an order in February 2004 in the Rosales v. Thompson case revising the eligibility requirements for foster care cases. Non-federal cases are currently being reviewed that may now be eligible for federal funds. Also, cases that previously were denied foster care funds and had been designated as CalWORKS may now be eligible for foster care funds. Each county is required to review all foster care cases open on or after March 2003 to determine eligibility for retroactive payments. The impact this ruling will have on San Bernardino County will not be known until all affected cases are reviewed.



Finally, the State is proposing to eliminate the County share of Child Support collections in 2004-05, which is used to offset local cost in Foster Care, CalWORKs aid payments (AAB FGR and AAB UPP), and the Kinship Guardianship Assistance Program (AAB KIN). With the loss of this revenue, local cost is projected to exceed target in AAB FGR and AAB KIN. To offset the increase, HSS is proposing to increase budgeted Realignment revenues in Foster Care to assist in transferring a net of \$303,276 in local cost to AAB FGR. This will enable HSS to remain within local cost targets in the subsistence payment budget units.

DEPARTMENT: AFDC - FOSTER CARE
FUND: General
BUDGET UNIT: AAB BHI

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	-	97,635,819	83,857,781	13,778,038
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	-	-	-
Internal Service Fund Adjustments	-	-	-	-
Prop 172	-	-	-	-
Other Required Adjustments	-	3,435,641	3,435,641	-
Subtotal	-	3,435,641	3,435,641	-
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	(863,698)	863,698
TOTAL BASE BUDGET	-	101,071,460	86,429,724	14,641,736
Department Recommended Funded Adjustments	-	(268,492)	898,482	(1,166,974)
TOTAL 2004-05 PROPOSED BUDGET	-	100,802,968	87,328,206	13,474,762

SCHEDULE B

DEPARTMENT: AFDC - FOSTER CARE
FUND: General
BUDGET UNIT: AAB BHI

IMPACTS DUE TO STATE BUDGET CUTS

Brief Description of State Budget Cuts	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
County share of Child Support collections	-	-	(863,698)	863,698
Local share is projected to increase due to the State's proposal in 2004-05 to eliminate the County's share of child support collections. Currently, a portion of child support collected on behalf of the custodial parent receiving assistance payments is u				
Total	-	-	(863,698)	863,698



SCHEDULE C

DEPARTMENT: AFDC - FOSTER CARE
 FUND: General
 BUDGET UNIT: AAB BHI

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment		Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
1.	Updated program activity for 2004-05 Due to information received after the submission of the first 2004-05 projections, caseload is now expected to be slightly lower than originally projected.	-	(268,492)	-	(268,492)
2.	Updated program activity for 2004-05 Due to information received after the October 2003 submission of the first 2004-05 projection, Non-Federal caseload is projected to be 2.5% lower than originally projected, resulting in less state revenue.	-	-	(583,480)	583,480
3.	Updated program activity for 2004-05 Due to the State's proposal in 2004-05 to eliminate the County's share of child support collections, additional realignment is increasing to offset this decrease in child support collections revenue.	-	-	240,403	(240,403)
4.	Updated program activity for 2004-05 Due to information received after the submission of the first 2004-05 projection, the Federal average grant is projected to be 6% higher than originally projected, resulting in an increase in federal revenue.	-	-	1,241,559	(1,241,559)
Total		-	(268,492)	898,482	(1,166,974)



Refugee Cash Assistance

DESCRIPTION OF MAJOR SERVICES

This program provides assistance payments for a maximum of eight months to all refugees who cannot meet the requirements for the Refugee Demonstration Project and CalWORKS programs. This program is 100% federally funded and open-ended.

There is no staffing associated with this budget unit.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	50,616	520,000	63,320	100,000
Departmental Revenue	51,902	520,000	63,320	100,000
Local Cost	(1,286)	-	-	-

Workload Indicators

Cases Per Month	17	98	18	20
Average Monthly Aid	\$248	\$442	\$300	\$415

Estimates for 2003-04 are lower than budgeted due to a decrease in the refugee population moving into the County and many participants reaching the eight-month time limit of the program.

GROUP: Human Services System
DEPARTMENT: Refugee Cash Assist
FUND: General

BUDGET UNIT: AAB CAP
FUNCTION: Public Assistance
ACTIVITY: Aid Programs

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
<u>Appropriation</u>								
Other Charges	63,320	520,000	-	-	-	520,000	(420,000)	100,000
Total Appropriation	63,320	520,000	-	-	-	520,000	(420,000)	100,000
<u>Departmental Revenue</u>								
State, Fed or Gov't Aid	63,320	520,000	-	-	-	520,000	(420,000)	100,000
Total Revenue	63,320	520,000	-	-	-	520,000	(420,000)	100,000
Local Cost	-	-	-	-	-	-	-	-

Expenditures for 2003-04 are lower than budgeted due to a decrease in the refugee population moving into the County and many participants reaching the eight-month time limit of the program. This program is 100% federally funded and open-ended. Historically this program has been budgeted at \$520,000 regardless of actual caseload. This budget is being adjusted to \$100,000 to more accurately reflect actual caseload and average monthly grant amounts.



SCHEDULE C

DEPARTMENT: Refugee Cash Assist
 FUND: General
 BUDGET UNIT: AAB CAP

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Decrease in the Refugee Cash Assist program. The Refugee Cash Assistance program is a 100% federally funded program that provides assistance payments for a maximum of eight months to all refugees who cannot meet the requirements for the Refugee Demonstration project and CalWORKS programs. Historically this program has had only 15 - 20 participants per month and was not budgeted using actual caseload data. This decrease reflects a more accurate program cost.	-	(420,000)	(420,000)	-
Total	-	(420,000)	(420,000)	-



Cash Assistance for Immigrants

DESCRIPTION OF MAJOR SERVICES

This program, under AB-2779, provides cash assistance to aged, blind and disabled legal immigrants who meet the Supplemental Security Income/State Supplementary Payment (SSI/SSP) immigration status requirements in effect on August 21, 1998 and all other current SSI/SSP eligibility requirements, yet are no longer eligible for SSI/SSP solely due to their immigration status. This program is 100% state funded.

There is no staffing associated with this budget unit.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	698,136	1,053,030	767,838	1,053,030
Departmental Revenue	695,909	1,053,030	767,838	1,053,030
Local Cost	2,227	-	-	-

Workload Indicators

Cases Per Month	96	116	95	111
Average Monthly Aid	\$606	\$752	\$672	\$790

Expenditures for 2003-04 are expected to be less than budgeted because caseload continues to be lower than expected. This is due to clients moving into the federal SSI/SSP program while new applications continue to decline. Average grant costs have also been lower than expected.

GROUP: Human Services System
DEPARTMENT: Cash Assistance for Immigrants
FUND: General

BUDGET UNIT: AAB CAS
FUNCTION: Public Assistance
ACTIVITY: Aid Programs

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
<u>Appropriation</u>								
Other Charges	767,838	1,053,030	-	-	-	1,053,030	-	1,053,030
Total Appropriation	767,838	1,053,030	-	-	-	1,053,030	-	1,053,030
<u>Departmental Revenue</u>								
State, Fed or Gov't Aid	767,838	1,053,030	-	-	-	1,053,030	-	1,053,030
Total Revenue	767,838	1,053,030	-	-	-	1,053,030	-	1,053,030
Local Cost	-	-	-	-	-	-	-	-

The proposed 2004-05 budget projects a small caseload decline from the previous year and an expected 1.5% COLA in the SSI/SSP rate for the months of January through June 2005. This is a 100% state funded program that results in no local cost. Because the state legislature could expand program eligibility at any time it is recommended that 2004-05 appropriations remain at the current level.



CALWORKS – All Other Families

DESCRIPTION OF MAJOR SERVICES

This budget unit provides CalWORKs assistance payments families eligible for aid and includes all cases that have not been identified as two-parent or zero-parent families. The federal (50%) and state (47.5%) governments reimburse costs for this program. The mandated local share of 2.5% is funded with county general fund.

There is no staffing associated with this budget unit.

BUDGET AND WORKLOAD HISTORY

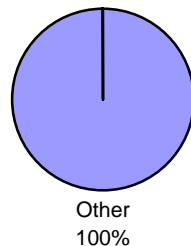
	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	194,822,469	196,553,943	198,527,539	196,029,188
Departmental Revenue	190,670,061	192,123,884	194,317,148	191,128,459
Local Cost	4,152,408	4,430,059	4,210,391	4,900,729

Workload Indicators

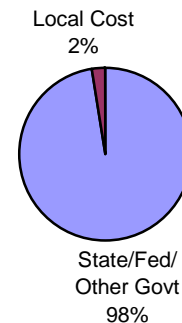
Annual Paid Cases	377,456	380,054	368,657	364,569
Paid Cases per Month	31,455	31,671	30,721	30,381
Average Monthly Aid	\$517	\$517	\$539	\$538

The variance between the 2003-04 Budget and Estimate is due to a Cost-of-Living Adjustment (COLA), which took effect at the start of the fiscal year that the state had originally stated would not occur. The COLA has resulted in expenditures and revenues being greater than originally projected. The budget unit will remain within the Local Cost target due to increased revenues realized from child support collections.

2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY



2004-05 BREAKDOWN BY FINANCING SOURCE



ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G Department Recommended Funded Adjustments (Schedule C)	F+G H 2004-05 Proposed Budget
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget		
Appropriation								
Other Charges	198,527,539	196,553,943	14,742,018	-	-	211,295,961	(15,266,773)	196,029,188
Total Appropriation	198,527,539	196,553,943	14,742,018	-	-	211,295,961	(15,266,773)	196,029,188
Departmental Revenue								
State, Fed or Gov't Aid	193,500,483	191,423,884	14,589,679	-	-	206,013,563	(14,885,104)	191,128,459
Other Revenue	816,665	700,000	-	-	(700,000)	-	-	-
Total Revenue	194,317,148	192,123,884	14,589,679	-	(700,000)	206,013,563	(14,885,104)	191,128,459
Local Cost	4,210,391	4,430,059	152,339	-	700,000	5,282,398	(381,669)	4,900,729

The 2004-05 requested budget is significantly lower than original projections because caseload decreases were realized rather than the increases predicted by the Governor's office last March. The state has not provided any caseload estimates for 2004-05; therefore, a conservative estimate of zero caseload growth has been used (despite continuing caseload declines in Fiscal Year 2003-04). The state has not given any advance notification of Cost-of-Living Adjustments in 2004-05, so the average monthly grant is expected to remain stable as well.

However, the state has proposed to eliminate the County's share of child support collections, which is currently used to offset local share for this program, as well as in Foster Care (AAB BHI) and the Kinship Guardianship Assistance Program (AAB KIN). With the loss of this revenue, local cost is projected to exceed target in this budget unit by \$318,332. To offset the increase, the department is proposing to increase budgeted Realignment revenues in Foster Care. This will enable HSS to remain within local cost targets overall in the subsistence payment budget units.

DEPARTMENT: CalWORKs - All Other Families
FUND: General
BUDGET UNIT: AAB FGR

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	-	196,553,943	192,123,884	4,430,059
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	-	-	-
Internal Service Fund Adjustments	-	-	-	-
Prop 172	-	-	-	-
Other Required Adjustments	-	14,742,018	14,589,679	152,339
Subtotal	-	14,742,018	14,589,679	152,339
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	(700,000)	700,000
TOTAL BASE BUDGET	-	211,295,961	206,013,563	5,282,398
Department Recommended Funded Adjustments	-	(15,266,773)	(14,885,104)	(381,669)
TOTAL 2004-05 PROPOSED BUDGET	-	196,029,188	191,128,459	4,900,729



SCHEDULE B

DEPARTMENT: CalWORKs - All Other Families
 FUND: General
 BUDGET UNIT: AAB FGR

IMPACTS DUE TO STATE BUDGET CUTS

Brief Description of State Budget Cuts	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
County share of Child Support Collections	-	-	(700,000)	700,000
Local share is projected to increase due to the State's proposal in 2004-05 to eliminate the County's share of child support collections. Currently, a portion of child support collected on behalf of the custodial parent receiving assistance payments is used to offset local share.				
Total	<u>-</u>	<u>-</u>	<u>(700,000)</u>	<u>700,000</u>

SCHEDULE C

DEPARTMENT: CalWORKs - All Other Families
 FUND: General
 BUDGET UNIT: AAB FGR

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Decreased appropriation and revenue.	-	(15,266,773)	(14,885,104)	(381,669)
An expected decrease in the number of paid cases in Fiscal Year 2004-05 will result in the need for less appropriation. Lower appropriations will also result in less revenue.				
Total	<u>-</u>	<u>(15,266,773)</u>	<u>(14,885,104)</u>	<u>(381,669)</u>



Kinship Guardianship Assistance Program

DESCRIPTION OF MAJOR SERVICES

This federal program was implemented Jan. 1, 2000. It provides a subsidy to children who leave the juvenile court dependency system to live with a relative legal guardian. It offers relative caregivers of dependent children a new option for providing a permanent home to these children. To be eligible for the program, the child must have lived with the relative at least 12 consecutive months, the relative guardianship must be established pursuant to Welfare and Institutions Code 366.26, and the juvenile court dependency for the child must be dismissed. Movement to the Kin-GAP program is not automatic. The court, with a recommendation from the social worker, has discretion regarding whether termination of dependency is in the child's best interest.

The estimated federal cost reimbursement is approximately 66% and the state cost reimbursement is approximately 17%. The remaining 17% mandated local share is funded by the county general fund.

There is no staffing associated with this budget unit.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	2,530,659	3,351,569	3,481,292	4,556,185
Departmental Revenue	2,115,676	2,795,803	2,935,847	3,793,024
Local Cost	414,983	555,766	545,445	763,161

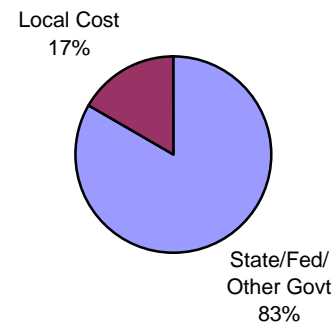
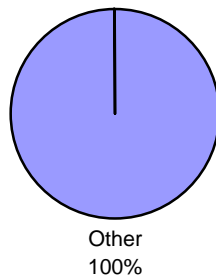
Workload Indicators

Annual Paid Cases	4,666	5,899	6,372	8,124
Average Paid Cases Per Month	389	492	531	677
Average Monthly Aid	\$542	\$567	\$545	\$560

Estimated expenditures are projected to exceed 2003-04 budget by approximately \$120,000 or 3.9%, due to higher than projected caseload. It was anticipated that the number of cases would stabilize once the backlog of eligible cases in foster care were transferred to the Kin-Gap program, but caseload growth has continued at a higher rate than expected. This may be due to a greater awareness of the program, and more children in the foster care system now are eligible for the Kin-Gap program.

Local cost will not exceed budgeted local cost, however, due to higher than expected revenue from Child Support Collections.

2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY 2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
DEPARTMENT: KIN GAP
FUND: General

BUDGET UNIT: AAB KIN
FUNCTION: Public Assistance
ACTIVITY: Aid Programs

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
Appropriation								
Other Charges	3,481,292	3,351,569	1,227,775	-	-	4,579,344	(23,159)	4,556,185
Total Appropriation	3,481,292	3,351,569	1,227,775	-	-	4,579,344	(23,159)	4,556,185
Departmental Revenue								
State, Fed or Gov't Aid	2,905,847	2,781,803	1,019,053	-	-	3,800,856	(7,832)	3,793,024
Other Revenue	30,000	14,000	11,000	-	(25,000)	-	-	-
Total Revenue	2,935,847	2,795,803	1,030,053	-	(25,000)	3,800,856	(7,832)	3,793,024
Local Cost	545,445	555,766	197,722	-	25,000	778,488	(15,327)	763,161

Since the program's inception in 2000, caseload has continued to grow significantly each year. It is anticipated that caseload will increase by approximately 27% in FY 2004-05. This reflects a growth of 12 new cases per month in FY 2004-05.

The cost per case appears to have stabilized and no significant increase in cost is projected for 2004-05. A 0.5% increase has been included to provide for COLAs received during FY 2003-04.

However, the state has proposed to eliminate the County's share of child support collections, which is currently used to offset local share for this program, as well as in Foster Care (AAB BHI) and in CalWORKs aid payments (AAB FGR and AAB UPP). The loss of this revenue will cause this budget unit to exceed the local cost target by \$9,673. To offset the increase, HSS will be transferring local cost from the CalWORKs-2 Parent Families budget unit (AAB UPP). This will enable HSS to remain within local cost targets overall in the subsistence payment budget units.

DEPARTMENT: KIN GAP
FUND: General
BUDGET UNIT: AAB KIN

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	-	3,351,569	2,795,803	555,766
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	-	-	-
Internal Service Fund Adjustments	-	-	-	-
Prop 172	-	-	-	-
Other Required Adjustments	-	1,227,775	1,030,053	197,722
Subtotal	-	1,227,775	1,030,053	197,722
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	(25,000)	25,000
TOTAL BASE BUDGET	-	4,579,344	3,800,856	778,488
Department Recommended Funded Adjustments	-	(23,159)	(7,832)	(15,327)
TOTAL 2004-05 PROPOSED BUDGET	-	4,556,185	3,793,024	763,161



SCHEDULE B

DEPARTMENT: KIN GAP
 FUND: General
 BUDGET UNIT: AAB KIN

IMPACTS DUE TO STATE BUDGET CUTS

Brief Description of State Budget Cuts	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Local Cost share from Child Support Collections	-	-	(25,000)	25,000
Local share is projected to increase due to the State's proposal in 2004-05 to eliminate the County's share of child support collections. Currently, a portion of child support collected on behalf of the custodial parent receiving assistance payments is used to offset local share.				
Total	-	-	(25,000)	25,000

SCHEDULE C

DEPARTMENT: KIN GAP
 FUND: General
 BUDGET UNIT: AAB KIN

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Cost per case lower than originally projected	-	(23,159)	(7,832)	(15,327)
It is now estimated that the cost per case will be 9% lower than originally projected. Also, the number of cases is now estimated to be 9% higher than originally projected. These estimates are based on the most recent analysis of this program.				
Total	-	(23,159)	(7,832)	(15,327)



Seriously Emotionally Disturbed

DESCRIPTION OF MAJOR SERVICES

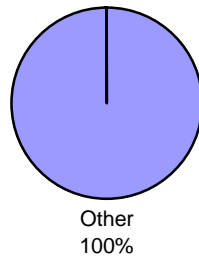
Assembly Bill 3263 requires Human Services System to pay out-of-home costs for seriously emotionally disturbed (SED) children. The SED children under this program are referrals from the county's school districts whom have not been abused or neglected and are placed out-of-home pursuant to an individualized education program (IEP). These clients are referred to the Department of Behavioral Health (DBH) whom has case management and supervision responsibility. This budget includes an expenditure offset of \$79,456 from the DBH for clients placed in residential facilities outside of California. This budget is funded 40% by the state with the mandated 60% local share funded with Social Services Realignment and a county general fund contribution.

There is no staffing associated with this budget unit.

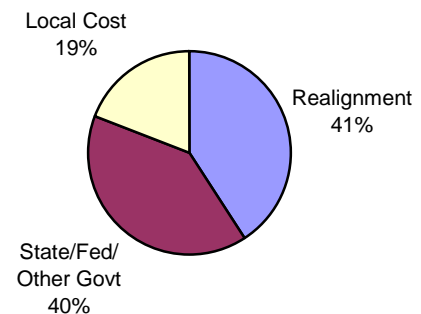
BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	3,355,423	3,345,010	3,345,010	3,794,651
Departmental Revenue	2,801,085	2,613,701	2,613,701	3,063,342
Local Cost	554,338	731,309	731,309	731,309
<u>Workload Indicators</u>				
Cases Per Month	46	44	47	49
Average Monthly Aid	\$6,079	\$6,525	\$6,139	\$6,585

2004-05 BREAKDOWN BY APPROPRIATION



2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
 DEPARTMENT: Seriously Emotionally Disturbed
 FUND: General

BUDGET UNIT: AAB SED
 FUNCTION: Public Assistance
 ACTIVITY: Aid Programs

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
Appropriation								
Other Charges	3,345,010	3,345,010	449,641	-	-	3,794,651	-	3,794,651
Total Appropriation	3,345,010	3,345,010	449,641	-	-	3,794,651	-	3,794,651
Departmental Revenue								
Realignment	1,275,697	1,275,697	269,785	-	-	1,545,482	-	1,545,482
State, Fed or Gov't Aid	1,338,004	1,338,004	179,856	-	-	1,517,860	-	1,517,860
Total Revenue	2,613,701	2,613,701	449,641	-	-	3,063,342	-	3,063,342
Local Cost	731,309	731,309	-	-	-	731,309	-	731,309

Projected expenditures for 2004-05 are based on the continued higher overall average monthly caseload, placement in higher level of care facilities, and expected rate increases granted to group homes. The majority of the participants are placed in rate classification level (RCL) 11 and 12 group homes. However, nearly 9% of the participants are currently placed in the highest level of group home RCL 14. The majority of the participants, 48%, remain in the program 1 year or less and 39% remain in the program between 1 and 2 years. Only 6 participants have remained in this program for more than 2 years.

Continued caseload growth requires additional appropriation, revenue and local share in 2004-05. Total mandated local share required is \$2,276,791, of which \$1,545,482 is funded with Social Services Realignment. This is an increase of \$269,785 over 2003-04. The remaining \$731,309 local share is funded with General Fund dollars, which is the same amount funded in 2003-04.

DEPARTMENT: Seriously Emotionally Disturbed
 FUND: General
 BUDGET UNIT: AAB SED

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	-	3,345,010	2,613,701	731,309
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	-	-	-
Internal Service Fund Adjustments	-	-	-	-
Prop 172	-	-	-	-
Other Required Adjustments	-	449,641	449,641	-
Subtotal	-	449,641	449,641	-
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	-	-
TOTAL BASE BUDGET	-	3,794,651	3,063,342	731,309
Department Recommended Funded Adjustments	-	-	-	-
TOTAL 2004-05 PROPOSED BUDGET	-	3,794,651	3,063,342	731,309



CALWORKS – 2-Parent Families

DESCRIPTION OF MAJOR SERVICES

This program provides payments to resident families who are eligible for aid in accordance with state law. This budget includes all cases identified as having two parents in the home or in which the parent(s) is excluded from, or ineligible for, CalWORKs. The state and federal governments reimburse 97.5% of the costs for this program. The mandated local share of 2.5% is funded with county general fund.

There is no staffing associated with this budget.

BUDGET AND WORKLOAD HISTORY

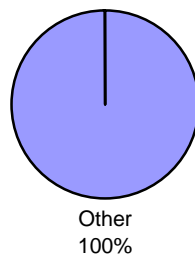
	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	18,663,114	18,846,462	16,945,687	15,072,908
Departmental Revenue	18,213,961	18,408,416	16,548,001	14,694,577
Local Cost	449,153	438,046	397,686	378,331

Workload Indicators

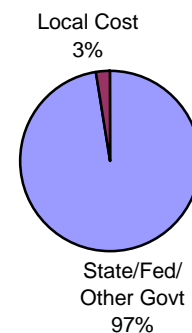
Annual Paid Cases	31,320	31,448	27,559	24,548
Paid Cases per Month	2,610	2,621	2,297	2,046
Average Monthly Aid	\$595	\$599	\$609	\$614

There is a significant variance between the 2003-04 Budget and Estimate due to decreasing caseloads. Caseload projections from the Governor's office last March called for slightly increasing caseloads despite actual figures to the contrary in Fiscal Year 2002-03. Expenditures are lower than original projections even with the application of the Cost-of-Living Adjustment. Declining caseloads are due to a combination of factors, including 1) participants reaching CalWORKs time limits and 2) others no longer needing assistance due to newfound employment.

2004-05 BREAKDOWN BY APPROPRIATION



2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
 DEPARTMENT: CalWORKs - 2-Parent Families
 FUND: General

BUDGET UNIT: AAB UPP
 FUNCTION: Public Assistance
 ACTIVITY: Aid Programs

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
Appropriation								
Other Charges	16,945,687	18,846,462	(1,393,881)	-	-	17,452,581	(2,379,673)	15,072,908
Total Appropriation	16,945,687	18,846,462	(1,393,881)	-	-	17,452,581	(2,379,673)	15,072,908
Departmental Revenue								
State, Fed or Gov't Aid	16,519,815	18,373,416	(1,358,895)	-	-	17,014,521	(2,319,944)	14,694,577
Other Revenue	28,186	35,000	-	-	(35,000)	-	-	-
Total Revenue	16,548,001	18,408,416	(1,358,895)	-	(35,000)	17,014,521	(2,319,944)	14,694,577
Local Cost	397,686	438,046	(34,986)	-	35,000	438,060	(59,729)	378,331

The state has not provided any caseload estimates for 2004-05, so the rate of decline in the monthly caseload in 2003-04 has been projected for 2004-05. The state has not given any advance notification of Cost-of-Living Adjustments in 2004-05, so the average monthly grant is expected to remain stable as well. However, the state has proposed to eliminate the County's share of child support collections (currently budgeted at \$35,000), which is used to offset local share for this program. The expected savings associated with continuing caseload declines will cover this revenue shortfall of \$15,056 as well as enable a transfer of local cost to the other CalWORKs budget unit (AAB FGR) and to the Kin-Gap budget unit (AAB KIN).

DEPARTMENT: CalWORKs - 2-Parent Families
 FUND: General
 BUDGET UNIT: AAB UPP

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	-	18,846,462	18,408,416	438,046
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	-	-	-
Internal Service Fund Adjustments	-	-	-	-
Prop 172	-	-	-	-
Other Required Adjustments	-	(1,393,881)	(1,358,895)	(34,986)
Subtotal	-	(1,393,881)	(1,358,895)	(34,986)
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	(35,000)	35,000
TOTAL BASE BUDGET	-	17,452,581	17,014,521	438,060
Department Recommended Funded Adjustments	-	(2,379,673)	(2,319,944)	(59,729)
TOTAL 2004-05 PROPOSED BUDGET	-	15,072,908	14,694,577	378,331



SCHEDULE B

DEPARTMENT: CalWORKs - 2-Parent Families
 FUND: General
 BUDGET UNIT: AAB UPP

IMPACTS DUE TO STATE BUDGET CUTS

Brief Description of State Budget Cuts	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Child Support Collections	-	-	(35,000)	35,000
Local share is projected to increase due to the State's proposal in 2004-05 to eliminate the County's share of child support collections. Currently, a portion of child support collected on behalf of the custodial parent receiving assistance payments is used to offset local share.				
Total	<u>-</u>	<u>-</u>	<u>(35,000)</u>	<u>35,000</u>

SCHEDULE C

DEPARTMENT: CalWORKs - 2-Parent Families
 FUND: General
 BUDGET UNIT: AAB UPP

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENT

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Decreased appropriation and revenue.	-	(2,379,673)	(2,319,944)	(59,729)
Expected continuing caseload declines will result in the need for less appropriation in turn resulting in lower revenues from the state and federal governments and less local cost needed.				
Total	<u>-</u>	<u>(2,379,673)</u>	<u>(2,319,944)</u>	<u>(59,729)</u>



Aid to Indigents (General Relief)

DESCRIPTION OF MAJOR SERVICES

The county is mandated to provide subsistence in the form of cash aid for food, shelter, and transportation to indigents who do not meet categorical eligibility requirements for state and federally funded programs. These general relief payments facilitate transition to an employable status and provide interim assistance pending receipt of SSI benefits. Services and supplies consist of a fixed amount contract with a law firm to assist clients in preparing applications for Social Security Insurance (SSI) benefits. Other revenue represents retroactive SSI payments, which the county receives as reimbursement for general relief assistance provided to SSI eligible indigents prior to their enrollment in the SSI program.

There is no staffing associated with this budget unit.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	1,335,768	1,275,123	1,544,446	1,361,560
Departmental Revenue	360,467	330,986	337,161	342,470
Local Cost	975,301	944,137	1,207,285	1,019,090

Workload Indicators

Individuals served per month	426	415	496	445
Average monthly grant per person	\$261	\$252	\$256	\$252

The July 2003 to March 2004 caseload and expenditure trends have increased by 32% in comparison to monthly data during the previous year. Based on actual monthly costs from January 2003 to March 2004, projected costs for the remainder of FY 2003-04 indicate a potential over expenditure of \$269,323.

Reasons for the increasing caseload include the following:

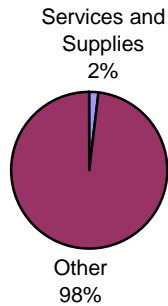
- CalWORKs clients reaching 5-year limit on aid
- Population increase in our County and the availability of cheaper housing (including shared living arrangements)
- Clients are staying on aid longer because of changes to SSI rules, i.e. those with substance abuse problems (drugs, alcohol) are not eligible for SSI unless they are in a treatment program
- Clients are also staying on aid longer because of the lengthy appeals process for their specific case situations (some clients have been in the appeals process since 2002)

Revenue collections for the first 9 months of FY 2003-04 appear to be slightly more than anticipated. The revenue collection represents retroactive SSI payments the County receives as reimbursement from eligible indigents prior to their enrollment in SSI. Based on actual monthly revenue from January 2003 to March 2004, projected revenue for the remainder of FY 2003-04 indicate a potential increase of \$6,175.

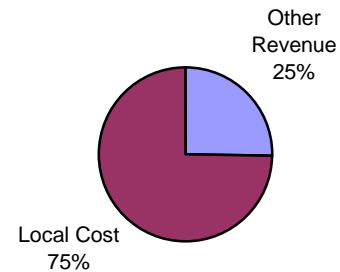
As a result of higher than anticipated expenses (offset by an increase in revenue collection), the net impact on County local cost is projected to exceed budget by \$263,148 for Aid to Indigents. However, due to expected savings in other subsistence budget units, HSS is not expected to exceed its overall budgeted local cost.



2004-05 BREAKDOWN BY APPROPRIATION



2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
DEPARTMENT: Aid to Indigents
FUND: General

BUDGET UNIT: AAA ATI
FUNCTION: Public Assistance
ACTIVITY: General Relief

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
Appropriation								
Services and Supplies	17,011	35,370	-	-	-	35,370	(7,632)	27,738
Other Charges	<u>1,527,435</u>	<u>1,239,753</u>	<u>90,204</u>	-	-	<u>1,329,957</u>	<u>3,865</u>	<u>1,333,822</u>
Total Appropriation	1,544,446	1,275,123	90,204	-	-	1,365,327	(3,767)	1,361,560
Departmental Revenue								
Other Revenue	<u>337,161</u>	<u>330,986</u>	<u>15,251</u>	-	-	<u>346,237</u>	<u>(3,767)</u>	<u>342,470</u>
Total Revenue	337,161	330,986	15,251	-	-	346,237	(3,767)	342,470
Local Cost	1,207,285	944,137	74,953	-	-	1,019,090	-	1,019,090

It is projected that 2004-05 caseload will increase by 7% in comparison to 2003-04 budget due to the following:

- CalWORKs clients reaching the 5-year aid limit.
- The County's continuing population increase and the availability of affordable housing (including shared living arrangements)
- Clients staying on aid longer because of changes to SSI rules, i.e. drug addicts and alcoholics are not eligible for SSI unless they are in a treatment program.
- Clients staying on aid longer because of the lengthy appeals process for their specific case situations (some clients have been in the appeals process since 2002).

It should be noted that 2004-05 caseload projections are expected to be less than 2003-04 caseload estimates. This is due to efforts by TAD staff to minimize increases in caseload by performing frequent case reviews and carefully monitoring eligibility. Average monthly aid per case is projected to remain the same in comparison to last year.

Revenue collection can vary from year to year due to periodic reimbursements of retroactive SSI payments that are inconsistent from month to month and year to year. It is estimated that revenues will be 3.5% higher in 2004-05.



DEPARTMENT: Aid to Indigents
 FUND: General
 BUDGET UNIT: AAA ATI

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	-	1,275,123	330,986	944,137
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	-	-	-
Internal Service Fund Adjustments	-	-	-	-
Prop 172	-	-	-	-
Other Required Adjustments	-	90,204	15,251	74,953
Subtotal	-	90,204	15,251	74,953
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	-	-
TOTAL BASE BUDGET	-	1,365,327	346,237	1,019,090
Department Recommended Funded Adjustments	-	(3,767)	(3,767)	-
TOTAL 2004-05 PROPOSED BUDGET	-	1,361,560	342,470	1,019,090

SCHEDULE C

DEPARTMENT: Aid to Indigents
 FUND: General
 BUDGET UNIT: AAA ATI

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Cost Changes	-	(3,767)	(3,767)	-
It is estimated that payments to Inland Valley Legal will slightly decrease and aid payments to clients will slightly increase resulting in \$3,767 overall decrease.				
Total	-	(3,767)	(3,767)	-



Proposition 36

MISSION STATEMENT

The Mission of Proposition 36 is to provide nonviolent drug offenders with proven and effective treatment strategies rather than incarceration through a collaborative effort of stakeholders.

DESCRIPTION OF MAJOR SERVICES

In November 2000, California passed Proposition 36, the Substance Abuse and Crime Prevention Act of 2000 (Act). The Act mandated that certain persons convicted of a nonviolent drug possession offense, and any parolee who is determined by the Parole Authority to have committed a nonviolent drug possession offense, or violated any other drug-related condition of parole, will be provided drug treatment and related services in lieu of incarceration. On February 6, 2001 the Board of Supervisors designated Human Services System as the county lead agency for implementation of the Act and established a local interest earning special revenue fund for funds received from the state for this program.

Proposition 36 was intended as a 5 year demonstration project for the period of July 1, 2001 through June 30, 2006. Revenue of \$2.77 million was allocated to the County for the period of January 1, 2001 through June 30, 2001 as start up funds. During the planning for implementation a decision was made that the anticipated annual allocation would not keep pace with expenditures. Therefore, the \$2.77 million was deposited in the Proposition 36 special revenue fund to finance treatment and probation costs that exceeded the annual allocation. A portion of the reserve has been used annually to finance costs that have exceeded the annual allocation. It is anticipated that the fund balance will be depleted at the proposed program end date of June 30, 2006.

This special revenue fund does not directly spend funds or provides services. This special revenue fund is used to account for disposition of the funds received from the state. Funds are transferred to the department of Alcohol and Drug Abuse Services and Probation which are the ones providing the treatment and overseeing the parolees.

There is no staffing associated with this budget unit.

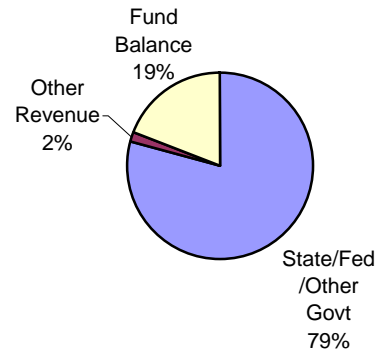
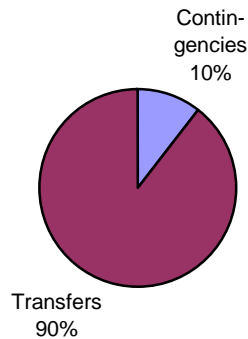
BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	6,625,029	8,123,826	6,645,966	7,426,622
Departmental Revenue	5,867,386	5,852,721	5,797,721	6,003,762
Fund Balance		2,271,105		1,422,860

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, estimated appropriations in this budget unit are less than budgeted. The amount not expended is carried over to the subsequent year's budget.



2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY 2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
DEPARTMENT: Human Services System
FUND: Proposition 36 - Substance Abuse and Prevention Program

BUDGET UNIT: RHD DPA
FUNCTION: Public Assistance
ACTIVITY: Administration

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G Department Recommended Funded Adjustments (Schedule C)	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget		2004-05 Proposed Budget
Appropriation								
Transfers	6,645,966	6,627,078	-	-	-	6,627,078	24,066	6,651,144
Contingencies	-	1,496,748	-	-	-	1,496,748	(721,270)	775,478
Total Appropriation	6,645,966	8,123,826	-	-	-	8,123,826	(697,204)	7,426,622
Departmental Revenue								
Use Of Money & Prop	125,000	180,000	-	-	-	180,000	(55,000)	125,000
State, Fed or Gov't Aid	5,672,721	5,672,721	-	-	-	5,672,721	206,041	5,878,762
Total Revenue	5,797,721	5,852,721	-	-	-	5,852,721	151,041	6,003,762
Fund Balance		2,271,105	-	-	-	2,271,105	(848,245)	1,422,860

SCHEDULE C

DEPARTMENT: Human Services System
FUND: Proposition 36 - Substance Abuse and Prevention Program
BUDGET UNIT: RHD DPA

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Fund Balance
1. Increase transfers to Human Services System (HSS) for fee collection Increased transfers to HSS for fee collection and annual audit of the program.	-	24,066	-	24,066
2. Reduce interest revenue . Interest revenue decreased due to a smaller daily balance on the account as a result of anticipated use of fund balance.	-	-	(55,000)	55,000
3. Increase State allocation due to formula change The preliminary state allocation of Prop 36 funds has increased by \$206,041 due to a change in the allocation methodology used by the state. Past allocations were based on a county's population, treatment caseload at a point in time and total number of drug arrests. The new methodology is based on a county's population, average daily treatment caseload and number of felony and misdemeanor arrest.	-	-	206,041	(206,041)
4. Decrease contingencies to reflect use of fund balance in 2003-04 Decrease contingencies to fund on-going expenses not covered by the state allocation. Furthermore, the program is scheduled to end in 2005-06, therefore, the budget proposes to use half of the fund balance in 2004-05 and the other half in 2005-06.	-	(721,270)	-	(721,270)
Total	-	(697,204)	151,041	(848,245)



AB 212 – Teacher Stipends

DESCRIPTION OF MAJOR SERVICES

High quality childcare is dependent upon a well-trained, well-compensated and dedicated staff. In an effort to foster an environment where this type of staff is developed and retained, Children's Network applied for and was awarded this state grant via Assembly Bill 212 (Teacher Stipends) in December 2001. Grant monies are placed in this special revenue fund providing stipends to pre-school teachers and/or administrators who demonstrate completion of college credits towards certification or post-secondary degrees. The stipend increases as the number of college units completed increases thereby acting as an incentive for preschool teachers to further educational levels. Stipends also increase for teachers who speak a second language or teach disabled children making preschool services accessible to a larger portion of the community.

There is no staffing associated with this budget unit.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	1,237,364	612,000	608,100	600,000
Departmental Revenue	655,838	558,988	555,088	600,000
Fund Balance		53,012		-

Workload Indicators

Stipends Awarded	659	305	305	300
Average Amount of Stipend	\$1,879	\$2,007	\$1,994	\$2,000

GROUP: Human Services System
DEPARTMENT: AB 212 Teacher Stipends
FUND: AB 212 Teacher Stipends

BUDGET UNIT: RHE DPA
FUNCTION: Public Assistance
ACTIVITY: Administration

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
<u>Appropriation</u>								
Services and Supplies	608,100	612,000	(12,000)	-	-	600,000	-	600,000
Total Appropriation	608,100	612,000	(12,000)	-	-	600,000	-	600,000
<u>Departmental Revenue</u>								
Use Of Money and Prop	2,100	6,000	(6,000)	-	-	-	-	-
State, Fed or Gov't Aid	552,988	552,988	47,012	-	-	600,000	-	600,000
Total Revenue	555,088	558,988	41,012	-	-	600,000	-	600,000
Fund Balance		53,012	(53,012)	-	-	-	-	-

The State has not yet provided an exact figure of the 2004-05 grant amount, but has communicated to Children's Network that it estimates San Bernardino County's portion to be \$600,000. Any negative circumstances that may affect this budget unit will be directly reflected in the stipends awarded to teachers and will not have any effect on local cost.



DEPARTMENT: AB 212 Teacher Stipends
 FUND: AB 212 Teacher Stipends
 BUDGET UNIT: RHE DPA

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Fund Balance
2003-04 FINAL BUDGET	-	612,000	558,988	53,012
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	-	-	-
Internal Service Fund Adjustments	-	-	-	-
Prop 172	-	-	-	-
Other Required Adjustments	-	(12,000)	41,012	(53,012)
Subtotal	-	(12,000)	41,012	(53,012)
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	-	-	-
Subtotal	-	-	-	-
Impacts Due to State Budget Cuts	-	-	-	-
TOTAL BASE BUDGET	-	600,000	600,000	-
Department Recommended Funded Adjustments	-	-	-	-
TOTAL 2004-05 PROPOSED BUDGET	-	600,000	600,000	-

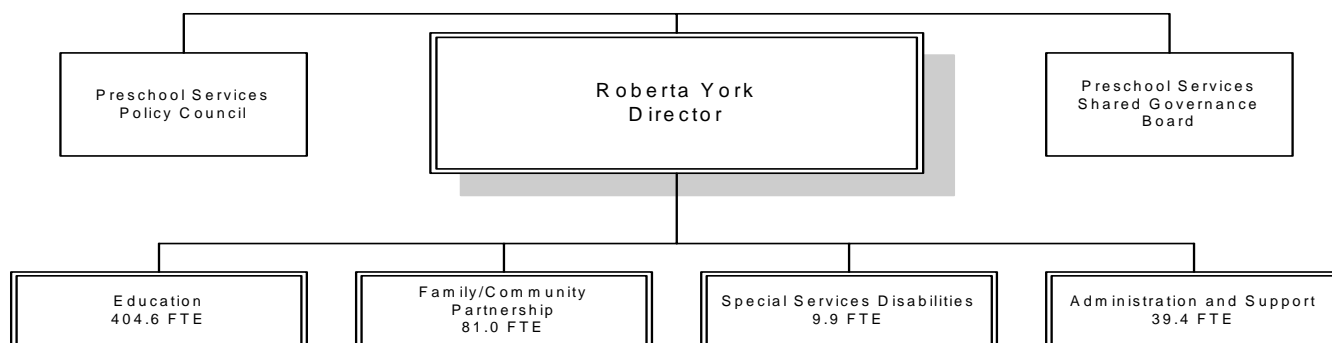


Preschool Services Roberta York

MISSION STATEMENT

The Department of Preschool Services provides a foundation for success for children by giving them the highest quality child development and family support services.

ORGANIZATIONAL CHART



DESCRIPTION OF MAJOR SERVICES

Preschool Services Department (PSD) has operated the Federal Head Start and other childcare programs in San Bernardino County since 1965 providing comprehensive child development and family services to children, ages 3 to 5 years, of low income and disadvantaged families. As the primary program (87% of funding), Head Start incorporates educational, health, nutritional, and psychological services in order to help children become ready to enter and succeed in school and life in general. PSD provides childcare services at 39 sites throughout the county. Other programs operated by this department include State Preschool, General Child Care and Child and Adult Care Food Programs.

Preschool Services became a Department under the County of San Bernardino, Human Services System in January 1999 and continues to be fully funded from federal and state sources (no local cost). Prior to 1999-00, the Preschool Services function was budgeted outside of the county's organizational structure.

MAJOR PROGRAMS

- **Early Childhood Education**

The Education Division oversees the daily operations of the Head Start sites. The County is divided into 6 areas for the purpose of general supervision and monitoring. This division is responsible for the overall operations of the Head Start Centers and ensures that each child is provided comprehensive child development services that are age appropriate, and address all areas of a child's growth and development: physical, social emotional, language and cognitive (academic including early literacy).

- **Family Community Partnerships (FCP)**

The FCP Division oversees the daily support of families enrolled in the Program. FCP Generalists are responsible for an assessment of individual family strengths and interests to help parents connect with the necessary services and other support systems needed to reach their goals. Eligibility Workers are responsible for gathering enrollment information on families and maintaining child attendance. Parents have an opportunity to become involved in the program through decision-making groups, such as (Parent Committees and Policy Council), volunteering in the classroom and conducting parent-initiated activities. Parents are also encouraged and given an opportunity to apply for positions for which they may qualify in the program.



Health, Nutrition and Mental Health are program areas under the Family Community Partnership Division. A Registered Nurse ensures that comprehensive health services are provided through direct services and/or referrals to appropriate community resources. Preventive health practices are provided through educational sessions and materials. A Nutritionist ensures that wholesome and nutritious meals and snacks are provided to children to supplement food served at home. Special menus are available to children with special medical requests. Children are provided age appropriate food experiences and parents participate in Nutrition Education classes. Parents are invited and encouraged to participate in Parent Nutrition and/or Health Advisory Committee. The Mental Health Specialists are responsible for providing services to parents, children and staff as needed or upon request or referral to all locations throughout the county.

The Transition Specialist partners with local school districts to ensure smooth transitions for children and families into kindergarten.

- **Special Services - Disabilities**

The Special Services Division has extended core capability for providing screening, evaluation, remediation and/or referral services to children with multiple special needs. This division includes a Psychologist, Speech Therapist, Special Education Specialist and a Registered Nurse.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	38,011,785	37,487,002	37,841,625	38,809,923
Departmental Revenue	37,315,911	37,861,261	38,215,884	38,809,923
Fund Balance		(374,259)		-
Budgeted Staffing		575.8		535.9

Workload Indicators

Average daily # of classes	287	282	275	289
Average daily # of children	4,503	4,370	4,191	4,483

Salaries and Benefits are projected to be under final budget appropriation levels by \$228,601 due to attrition and/or delays in filling most vacant positions.

Services and Supplies will exceed final budget appropriation levels by \$40,440. The Board approved one-time funds and increased appropriations by \$41,726 on February 10, 2004 (Item no. 37) to fund the installation of playground equipment at various sites throughout the county.

Other charges will exceed final budget appropriation levels by \$52,613 due to a 7% rate increase in the transportation contract. The Board approved the initial transportation contract on July 1, 2003 with a provision that the Assistant County Administrator for HSS, or his/her designee, has the authority to approve any individual rate increase to the contract by an amount not to exceed 7%. This increase was granted on August 13, 2003, retroactive back to July 1, 2003. The Board approved one-time funds and increased appropriations by \$175,000 on February 10, 2004 (Item no 37).

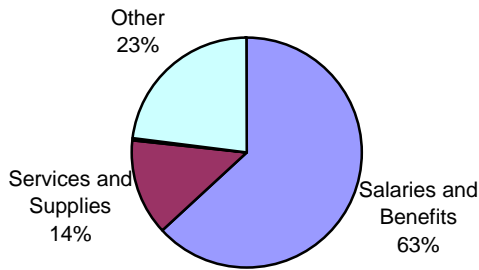
Improvement to Structures will exceed final budget appropriation levels by \$209,599. PSD expects to purchase and install a modular unit at the Rancho Cucamonga site by June 30, 2004. The Board approved one-time funds and increased appropriations by \$209,599 on July 15, 2003 (Item no. 24).

Equipment will exceed final budget appropriation levels by \$227,361 due to anticipated purchases and installation of playground equipment for the new Yucca Valley, North Redlands and San Bernardino sites. The Board approved a transfer from Salaries in the amount of \$130,000 on September 9, 2003 (Item no. 47). Additionally, the Board approved one-time funds and increased appropriations by \$97,361 on February 10, 2004.

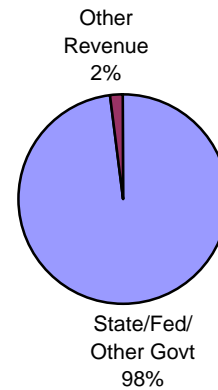
Rents will exceed final budget appropriation levels by \$53,211 due to new lease agreements at the Yucca Valley and the Ontario-Holt sites. Due to savings in Services and Supplies, a \$150,000-appropriation transfer from Services and Supplies was processed in January 2004 to cover the additional costs.



2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY



2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
 DEPARTMENT: Preschool Services
 FUND: Aid to Indigents

BUDGET UNIT: RSC HPS
 FUNCTION: Public Assistance
 ACTIVITY: Early Child Development

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G Department Recommended Funded Adjustments (Schedule C)	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget		2004-05 Proposed Budget
Appropriation								
Salaries and Benefits	23,675,189	23,903,790	1,946,990	109,422	-	25,960,202	(1,478,397)	24,481,805
Services and Supplies	4,190,797	4,150,357	205,333	652,616	-	5,008,306	284,019	5,292,325
Central Computer	85,780	85,780	23,797	-	-	109,577	-	109,577
Other Charges	7,023,564	6,970,951	-	-	-	6,970,951	(658,643)	6,312,308
Improve to Struct	209,599	-	-	-	-	-	-	-
Equipment	227,361	-	-	-	-	-	35,000	35,000
Transfers	2,429,335	2,376,124	202,784	-	-	2,578,908	-	2,578,908
Total Appropriation	37,841,625	37,487,002	2,378,904	762,038	-	40,627,944	(1,818,021)	38,809,923
Departmental Revenue								
Taxes	-	-	-	355,162	-	355,162	355,160	710,322
Use Of Money and Prop	15,932	-	-	-	-	-	-	-
State, Fed or Gov't Aid	38,113,078	37,861,261	-	406,876	-	38,268,137	(168,536)	38,099,601
Other Revenue	86,874	-	-	-	-	-	-	-
Total Revenue	38,215,884	37,861,261	-	762,038	-	38,623,299	186,624	38,809,923
Fund Balance		(374,259)	2,378,904	-	-	2,004,645	(2,004,645)	-
Budgeted Staffing		575.8	17.3	-	-	593.1	(57.2)	535.9

STAFFING AND PROGRAM CHANGES FY2004-05

Due to MOU and other staffing related increases of \$2.1 million overall staffing was reduced 39.9 budgeted positions at a savings of \$1.5 million, which resulted in an increase of \$578,016 over last year. The reduction of budgeted positions will be managed through program changes and expected attrition, which is outlined as follows:

The department plans to reduce its teaching pool (currently 251) by 35 – 9-month (21 FTE) Teacher positions through attrition and contract terminations. Department administration is changing the Part Day Program Option from Single Session to Double Session. This proposed change was approved by the Parent Policy Council, Shared Governance Board, the Board of Supervisors (March 9, 2004, Item no. 24), and was submitted with the Grant Application for approval by the Administration for Children and Families (ACF) on April 1, 2004. Beginning July 1, 2004, part-day teachers will work five (5) eight hour days and teach two – 3 ½ hour sessions per day, four (4) days per week. On the fifth day of the week, teachers will have a non-teaching day to be utilized for class work preparation, planning, documentation, reporting, home visits and staff training. Classes will operate traditional or track and follow the same calendar for holidays and recess periods for 134 teaching days.



The department plans on eliminating all (10.2 FTE) Program Aide positions from the department structure. These positions provide assistance to children with disabilities. The department's reorganization will include training classroom assigned teachers to work directly with their special needs students.

The department proposes a reduction of (8.8 FTE) Contract Generalist Positions. This will be accomplished due to the implementation of an automated client tracking and monitoring system (Genesis) effective July 2003. These positions provide support services (e.g. referrals for medical, health, social services) to children and families. The referral and follow-up processes were done manually before, and are now automated to make operations more efficient and effective.

The department proposes eliminating (17.2 FTE) Administrative and Support Staff Positions. Positions are currently vacant or will be vacated by June 30, 2004 due to promotions, reassignments, retirement and/or terminations.

Services and supplies appropriation is increased by \$1.14 million. This is due to increases in the County-Wide Cost Allocation Plan (COWCAP) of \$385,851, general liability of \$193,298, structural/playground improvements of \$165,000, site supplies of \$209,073, utilities and phone of \$112,615, food of \$46,000 and other miscellaneous \$28,163.

Other Charges appropriation is reduced by \$658,643 due to decreases anticipated in food, transportation and Delegate Agency contracts. The application of the 4-day model for part-day classroom operations will create a projected reduction in food and transportation costs. In addition, the Delegate Agencies have returned 14 federal part-day slots and renegotiated food contract rates.

Equipment appropriation is increased by \$35,000 due to a new North Redlands site is anticipated to open in January 2005. This includes the purchase and installation of new playground equipment.

Transfers appropriation is increased by \$202,784 due to mostly to increases in rent on all leases. This includes the two new sites in North Redlands and Yucca Valley.

Revenue appropriation is increased by \$948,663 due to a contract from the Children and Families Commission (First 5) in the amount of \$710,322 and an increase in Federal and State aid of \$238,341. The contract with First 5 is to provide school readiness services to children in the High Desert Communities of San Bernardino County for the period of January 1, 2004 through December 30, 2004 (with three – 12 month extensions). The areas of focus for school readiness are positive approaches to learning, cognitive ability, language and social and emotional growth. PSD is the lead agency and serves as the coordinating body and fiscal agent. The other members of the Coalition are the County Library, Public Health and the County Superintendent of Schools. The Board of Supervisors approved the contract on March 16, 2004 (Item no. 30) and authorized the Auditor/Controller-Recorder to increase appropriations in Salaries and Benefits, and Services and Supplies.



DEPARTMENT: Preschool Services
 FUND: Aid to Indigents
 BUDGET UNIT: RSC HPS

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Fund Balance
2003-04 FINAL BUDGET	575.8	37,487,002	37,861,261	(374,259)
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	1,600,134	-	1,600,134
Internal Service Fund Adjustments	-	229,130	-	229,130
Prop 172	-	-	-	-
Other Required Adjustments	17.3	549,640	-	549,640
Subtotal	17.3	2,378,904	-	2,378,904
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	-	762,038	762,038	-
Subtotal	-	762,038	762,038	-
Impacts Due to State Budget Cuts	-	-	-	-
TOTAL BASE BUDGET	593.1	40,627,944	38,623,299	2,004,645
Department Recommended Funded Adjustments	(57.2)	(1,818,021)	186,624	(2,004,645)
TOTAL 2004-05 PROPOSED BUDGET	535.9	38,809,923	38,809,923	-



SCHEDULE C

DEPARTMENT: Preschool Services
 FUND: Aid to Indigents
 BUDGET UNIT: RSC HPS

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Fund Balance
1. Eliminate 10.2 FTE Contract Program Aides Positions Eliminate all Program Aide positions (9.23-9 mo and 1-12 mo) from the departmental structure. These positions provide assistance to children with disabilities. The department's reorganization will include training classroom assigned teachers to work directly with their special needs students.	(10.2)	(248,016)	-	(248,016)
2. Reduce 8.8 FTE Contract Generalist Positions Reduce the number of Generalist positions by 8.8 FTE due to the implementation of an automated client tracking and monitoring system (Genesis) effective July 2003. These positions provide support services (e.g. referrals for medical, health, social services) to children and families. The referral and follow-up processes were done manually before, and are now automated to make operations more efficient and effective.	(8.8)	(263,906)	-	(263,906)
3. Delete 17.2 FTE Administrative and Support Staff Positions Positions are currently vacant or will be vacated by June 30, 2004 due to promotions, reassignments, retirement and/or terminations	(17.2)	(629,541)	-	(629,541)
4. Reduce 21 FTE Contract Teacher 9mo Positions Reduce the number of Teacher 9 mo positions by 21 FTE. Preschool will experience a Teacher surplus as it changes teaching staff ratios currently at 2 Teachers and 1 Teacher's Aide per double session (two 3.5 hour classes per day) to 1 Teacher and 1 Teacher's Aide per double session)	(21.0)	(446,355)	-	(446,355)
5. Increase in Services and Supplies Increase Services and Supplies due to anticipated increases in utilities costs for new sites and general inflation.	-	(347,571)	-	(347,571)
6. First 5 Grant Revenue contract renewal anticipated with the Children and Families Commission of San Bernardino for the second-half of the fiscal year. The original amount of the grant is \$710,323 for School Readiness activities for the period of January 1, 2004 through December 31, 2004.	-	355,160	355,160	-
7. Service Delivery Contracts Decrease Decreases are anticipated in food, transportation and Delegate Agency contracts. The application of the 4-day model for part-day classroom operations will create a projected reduction in food and transportation costs. In addition, the Delegate Agencies have returned 14 federal part-day slots and	-	(658,643)	-	(658,643)
8. Playground Equipment Purchase - New North Redlands A new North Redlands site is anticipated to open in January 2005. This includes the purchase and installation of new playground equipment.	-	35,000	-	35,000
9. Head Start Revenue Increase Head Start Revenue is expected to increase due to a 1.5% Cost of Living Allowance (COLA)	-	-	105,187	(105,187)
10. Child and Adult Care Food Programs CACFP) Revenue Decrease CACFP Revenue Reimbursement is expected to decrease due to the implementation of a 4-day model for part-day classroom operations.	-	-	(273,723)	273,723
11. County-wide Cost Allocation Plan (COWCAP) Increase COWCAP increase is due primarily to increases in unemployment costs for contract staff. Most contract staff work 9 month per year and are eligible to collect unemployment benefits up to 3 month per year.	-	385,851	-	385,851
Total	(57.2)	(1,818,021)	186,624	(2,004,645)



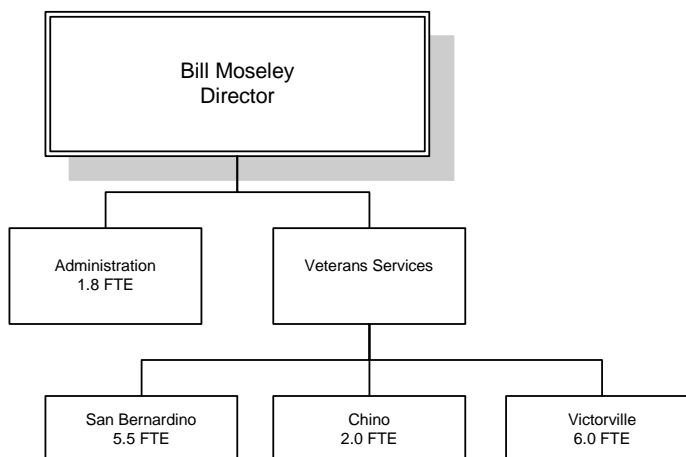
VETERANS AFFAIRS

Bill Moseley

MISSION STATEMENT

The Department of Veterans Affairs promotes veterans' rights, issues, and access to services and benefits. It works with community organizations, local, state, and federal agencies to identify and obtain benefits for all veterans and their families.

ORGANIZATIONAL CHART



DESCRIPTION OF MAJOR SERVICES

According to the Secretary of the U.S. Department of Veterans Affairs, approximately one out of every three people in the United States is a potential VA beneficiary. In San Bernardino County, this means approximately 565,000 veterans, dependents and survivors may become recipients of veterans' benefits. Veterans Affairs provides information and assistance to residents in filing claims for benefits and services to which they may be entitled from federal, state, and local governments. These benefits include medical care, life insurance, home loans, pension benefits, disability compensation, education, and vocational rehabilitation. County VA employees are often the initial contact with the VA system for veterans in our community.

Services to the veterans' community are concentrated in the following four areas:

Claims Assistance

- Provide benefits counseling, claim preparation, and development of probative evidence.
- Monitor claim adjudication and resolve issues or questions in favor of the veteran. Provide assistance with administrative and appellate review of claims.
- Administer the California College Fee Waiver program for dependents of disabled veterans in San Bernardino County.

Information and referral to other programs

- Make referrals to other county departments, i.e., Aging and Adult Services, Transitional Assistance Department, Community Services, Behavioral Health, County Recorder, etc.
- Provide information and referrals to area homeless providers and emergency services providers.
- Make referrals to State and Federal agencies including Social Security and SSI, Employment Development, Rail road Retirement, Department of Defense, etc.



Advocacy

- Individual advocacy entails resolution of adjudicative questions and concerns related to processing of an individual veteran's claim.
- Advocacy at the policy level includes resolution of local policy and procedural issues that better serve the bureaucracy rather than our veterans.
- Legislative advocacy involves providing state and federal elected officials with technical assistance regarding veterans' legislation.

Outreach

- Conduct outreach at retirement homes, mortuaries, schools, military separation programs, and service organization American Legion, Disabled American Veterans, Veterans of Foreign wars, Elks, Rotary, etc.) for the purpose of informing the community of veterans' benefits and services.
- Participate in community events relevant to veterans: job fairs, stand-downs, government day events, etc.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	1,099,563	1,130,068	1,098,811	1,145,928
Departmental Revenue	270,539	257,018	302,463	299,667
Local Cost	829,024	873,050	796,348	846,261
Budgeted Staffing		17.0		16.3

Workload Indicators

Subvention Claims Filed	4,469	5,500	5,500	5,500
New Ann. Monetary	8,700,000	8,000,000	8,000,000	8,000,000
Average Annual Awards	1,709	1,400	1,400	1,400

A savings of \$31,257 in salary and benefits is anticipated due to the following:

- A Supervising VSR position is currently being under filled with a VSR II.
- A VSR I position has been vacant pending recruitment.

An increase of \$23,219 in services and supplies is anticipated due to the following:

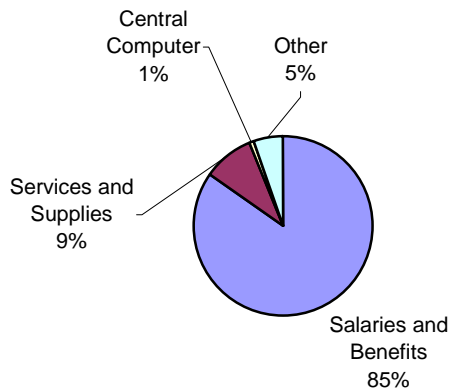
- Due to funding cuts the department was forced to close the Ontario office and move to the Chino courthouse. The increase is due to relocating staff to the office and making slight renovations to the Chino space.

An increase of \$45,445 in Revenue is anticipated due to the following:

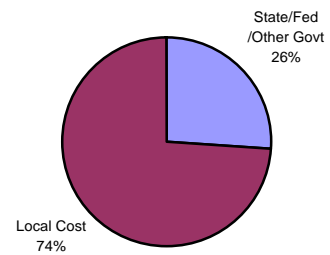
- The department anticipates increased revenue than originally estimated for FY 2003-04 based on the final allocation report from the State. Revenues are projected based on previous year's data and on anticipated workload for the upcoming year.



2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY



2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
 DEPARTMENT: Veterans Affairs
 FUND: General

BUDGET UNIT: AAA VAF
 FUNCTION: Public Assistance
 ACTIVITY: Veterans Affairs

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
Appropriation								
Salaries and Benefits	888,018	938,828	57,116	-	(37,583)	958,361	12,032	970,393
Services and Supplies	135,995	112,776	2,921	(3,000)	(3,262)	109,435	(3,607)	105,828
Central Computer	10,533	10,533	(332)	-	-	10,201	-	10,201
Other Charges	800	800	-	-	-	800	-	800
L/P Equipment	6,000	6,000	-	-	-	6,000	-	6,000
Transfers	57,465	61,131	-	-	-	61,131	(8,425)	52,706
Total Exp Authority	1,098,811	1,130,068	59,705	(3,000)	(40,845)	1,145,928	-	1,145,928
Departmental Revenue								
State, Fed or Gov't Aid	302,463	257,018	-	-	42,649	299,667	-	299,667
Total Revenue	302,463	257,018	-	-	42,649	299,667	-	299,667
Local Cost	796,348	873,050	59,705	(3,000)	(83,494)	846,261	-	846,261
Budgeted Staffing		17.0	-	-	(0.7)	16.3	-	16.3



DEPARTMENT: Veterans Affairs
 FUND: General
 BUDGET UNIT: AAA VAF

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	17.0	1,130,068	257,018	873,050
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	57,116	-	57,116
Internal Service Fund Adjustments	-	2,589	-	2,589
Prop 172	-	-	-	-
Other Required Adjustments	-	-	-	-
Subtotal	-	59,705	-	59,705
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	(3,000)	-	(3,000)
Mid-Year Board Items	-	-	-	-
Subtotal	-	(3,000)	-	(3,000)
Impacts Due to State Budget Cuts	(0.7)	(40,845)	42,649	(83,494)
TOTAL BASE BUDGET	16.3	1,145,928	299,667	846,261
Department Recommended Funded Adjustments	-	-	-	-
TOTAL 2004-05 PROPOSED BUDGET	16.3	1,145,928	299,667	846,261

SCHEDULE B

DEPARTMENT: Veterans Affairs
 FUND: General
 BUDGET UNIT: AAA VAF

IMPACTS DUE TO STATE BUDGET CUTS

Brief Description of State Budget Cuts	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Staffing	(0.5)	(26,339)	-	(26,339)
The reduction of 0.5 FTE to a Veterans Service Representative II position which will save the department \$26,339. The incumbent in Psn #6678 has chosen to retire effective PP 08/04. To meet the state budget cuts, the department will rehire the employee in the same position as part-time with no benefits.				
Staffing	(0.2)	(11,244)	-	(11,244)
The reduction of 0.2 FTE to an executive secretary II which will save the department \$11,244. The position is only working 64 hours a pay period, therefore, the department will only budget the position for 1,664 hours annually.				
Services and Supplies	-	(3,262)	-	(3,262)
An overall reduction of General Office Supplies.				
Increase in Revenue	-	-	42,649	(42,649)
The department anticipates an increase in revenue due to increased workload.				
Total	(0.7)	(40,845)	42,649	(83,494)



SCHEDULE C

DEPARTMENT: Veterans Affairs
 FUND: General
 BUDGET UNIT: AAA VAF

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment		Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
1.	Increase in Salary and Benefits This is due to increases in overall salary and benefits not included in Board approved targets.		12,032	12,032	-
2.	Reduction in Services and Supplies Overall reduction in general office supplies	-	(3,607)	(3,607)	-
3.	Reduction in Transfers to other county departments Reduction in Administrative charges to AAA DPA budget	-	(8,425)	(8,425)	-
Total		-	-	-	-



REALIGNMENT

SUMMARY OF BUDGET UNITS

	2004-05					
	Estimated Beginning Fund Balance	Budgeted Revenue	Budgeted Departmental Usage	Budgeted 10% Transfers	Estimated Ending Fund Balance	Estimated Change in Fund Balance
Mental Health	21,300,446	55,626,137	51,945,558	(5,300,000)	19,681,025	(1,619,421)
Social Services	12,594,958	70,931,212	83,891,709	5,300,000	4,934,461	(7,660,497)
Health	31,256,472	56,672,205	55,118,262	-	32,810,415	1,553,943
Total	65,151,876	183,229,554	190,955,529	-	57,425,901	(7,725,975)

DESCRIPTION

At the end of the 2001-02 year the Realignment funds were converted from trust funds to a restricted general funds requiring them to be budgeted. This is the second year the Realignment budgets have been presented in the County's budget book. The format for this section varies from other budget units to help with presentation of information. The Realignment budgets do not directly spend funds or provide service. They are strictly financing budgets with the actual expenditures occurring within the operating budget units of the departments that receive Realignment revenue.

In 1991 the state shifted responsibility for a number of mental health, social services, and health programs to counties. This shift, known as Realignment, resulted in the creation of two dedicated funding streams to pay for the shifted services: a ½ cent Sales Tax and a change in the depreciation schedule for vehicles which resulted in a 24.33% increase in Vehicle License Fee (VLF) revenues. Each of the three service areas identified were required to have their own separate accounts established and each of those service areas receive a different share of statewide Realignment revenues.

Within the mental health area, the programs for which the county is now responsible for are: community-based mental health programs, State Hospital services for county patients, and Institutions for Mental Disease. Within the social services area, the programs for which the county is now responsible for are: the county revenue stabilization program and the county justice subvention program. Within the health area, the programs for which the county is now responsible for are: AB8 county health services, local health services, medically indigent services, and the county medical services program.

In addition to these program responsibility shifts, a number of programs had changes made to their cost sharing ratios. Social services had a number of programs involved in sharing ratio changes (numbers are shown in percentages in the order of state/county shares of cost): foster care from 95/5 to 40/60, child welfare services from 76/24 to 70/30, In Home Supportive Services (IHSS) from 97/3 to 65/35, county services block grant from 84/16 to 70/30, adoption assistance from 100/0 to 75/25, Greater Avenues for Independence from 100/0 to 70/30, CalWorks from 89/11 to 95/5, and administration from 50/50 to 70/30. Within health, the California Children's Services program cost share shifted from 75% state/25% county to 50/50.

The Realignment program has some flaws in its design that adversely impact County of San Bernardino revenues. First is San Bernardino's status as an "under equity county," meaning that the county receives a lesser share of revenue relative to other counties based on population and estimated poverty population. Revenue distributions among counties were determined by expenditures in the programs that were transferred just prior to the adoption of Realignment. San Bernardino County was under equity in those programs. Realignment did attempt to address the inequity issue, but the effort fell short. The county continues to be under equity at this time and barring any legislative action the amount of inequity will increase over time. As growth occurs in the revenue streams, that incremental new funding is distributed on existing sharing arrangements between the counties. The counties that are already over equity get a higher percentage of the new revenue while those that are under equity get less.



In addition to the under equity issue is the fact that the demand for the services we are providing and the revenue streams funding them are both sensitive to the economy. When the economy is doing well, demand for services is reduced and revenues are high. When the economy does poorly, demand for services is high, but revenues under perform. During the recent good years, the realignment funds recovered from earlier difficulties and built up a substantial available fund balance. Beginning in the 2002-03 year, those fund balances began to be depleted as revenues shrank, demand for services increased, and expenses increased. The 2004-05 year end fund balance is projected to be only slightly more than one-half of the fund balance at the peak hit in 2001-02.

The state anticipated that some of the problems with Realignment could result in litigation or unfunded mandate claims. As a result, the legislation contained three poison pill provisions that would make certain provisions of Realignment inoperative. The three poison pills that could nullify Realignment, or portions of it, are: (1) a county successfully filing an unfunded mandate claim with respect to realigned programs, (2) constitutional challenges regarding Realignment's treatment of VLF revenues (which are constitutionally protected as local government revenue) or a finding that exclusion of Realignment revenue from Proposition 98 education funding calculations is unconstitutional, and (3) an appellate court determination that 1982 legislation shifting responsibility for medically indigent adults to counties is reimbursable as an unfunded mandate.

Recently, San Diego County was successful in its legal attempt to seek additional funds from the State for medically indigent adults. The lower court ruling was upheld at the appellate court and the State Supreme Court declined to hear the case, which made the appellate court's decision in favor of San Diego final. That action triggered the third poison pill and resulted in the immediate cessation of Realignment VLF payments to counties. The State legislature passed legislation to temporarily revoke the poison pill and make the counties whole for lost funds; however, this is a temporary fix that only resolves the problem until July 15, 2004. Further resolution of the problem is being rolled into the State's 2004-05 budget process. Delays in the State adopting a budget result in the County of San Bernardino not receiving approximately \$5 million monthly. For purposes of this budget, it is assumed that the State legislature will work out a permanent fix during the budget process and that the County will be made whole for revenues not received between July 16, 2004 and implementation of the permanent fix in conjunction with final adoption of the State budget.

Aside from the Poison Pill problem, the temporary fix legislation addressed the problem of funds the counties lost at the end of the 2002-03 year and the beginning of the 2003-04 year as a result of delays in implementation of the increases and decreases in VLF that occurred during Governor Davis' tenure, referred to as the "gap." Originally legislation was passed that would temporarily shift 2003-04 general VLF revenues to Realignment VLF to fill the gap. It has been estimated by the Department of Finance that the shift as adopted will be insufficient to fill the gap. This shortfall has now been resolved because the Poison Pill temporary fix bill gives the Department of Finance authority to adjust the amount of VLF revenues shifted to exactly backfill Realignment for any lost gap revenues.

With the Poison Pill problem only temporarily resolved, there are potential problems regarding availability of cash in the Realignment funds should the State have a long delay in adoption of a permanent fix. These concerns have been brought to the attention of the Auditor-Controller's office for their consideration as they estimate coming year cash flows and prepare to size the County's TRANS issuance.

The Realignment legislation does allow for some flexibility in usage of funds at the county level. Upon action by the Board of Supervisors, a county can transfer 10% of a given years revenue from one fund to another. San Bernardino County has used the provision repeatedly over the years to help support either the health or social services programs. In the chart above there is a budgeted transfer for the 2004-05 year noted in the "Budgeted 10% Transfers" column. Any such transfer would have to come before the Board of Supervisors for approval before taking place.

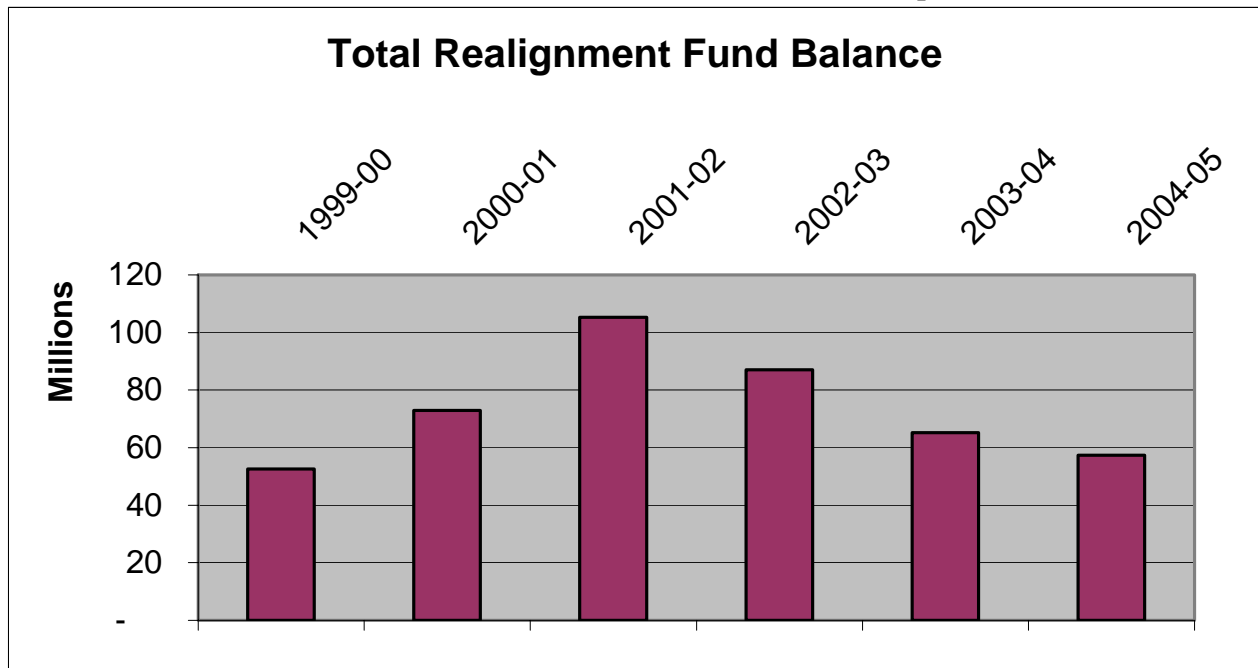
Budgetary Note: Financial information presented in this Realignment budget section is consistent with state reporting requirements for the Realignment funds. The state's reporting requirements are not consistent with the county's implementation of GASB 34 as it relates to revenue accrual. As such, within the county's accounting system, an adjustment will be made to show the correct revenues in accordance with the county's accrual procedures. This is a revenue timing issue only as a result of delays by the state in distributing growth revenue.



BUDGET HISTORY AND FUND BALANCE TREND**Total - All Realignment Funds**

	ACTUAL 2002-03	BUDGET 2003-04	ESTIMATE 2003-04	PROPOSED 2004-05
Beginning Fund Balance	105,261,868	76,611,548	87,055,266	65,151,876
Revenue	169,821,569	170,635,192	177,419,456	183,229,554
Department Usage	188,028,171	200,613,769	199,322,846	190,955,529
Ending Fund Balance	87,055,266	46,632,971	65,151,876	57,425,901
Change in Fund Balance	(18,206,602)	(29,978,577)	(21,903,390)	(7,725,975)

Available Fund Balance, as seen in the graph below, in the Realignment funds peaked at the end of the 2001-02 year as the county benefited from a large growth distribution attributable to the 2000-01 increase in sales taxes and vehicle license fees. Departmental Usage is anticipated to decline year-over-year as expense cutting measures in Behavioral Health become fully implemented and one-time expenses in the Health fund go away. Social Services, which funds caseload driven mandated programs is projected to effectively run out of fund balance at the end of the 2004-05 year, which could require additional general fund support going forward.



Of note in this graph is that the fund balance ending 2004-05 at the far right is 60% Health fund balance; the other two funds are continue to draw down fund balance for ongoing expenditures. Social Services in particular is projected to have only a \$4.9 million fund balance ending 2004-05. Given revenue and expenditure trends in Social Services, it is highly unlikely that the \$4.9 million in available fund balance will be sufficient to fund these mandated programs, thus requiring additional general fund support in 2005-06.

Revenues for 2004-05 are expected to increase year-over-year, primarily as a result of sales tax growth. It is important to note that for the foreseeable future all sales tax growth will accrue to the Social Services fund to pay for mandated caseload increases for which funding was unavailable in prior years. This will adversely affect the Mental Health and Health funds since they will see no increase in sales tax revenue until sales tax growth is sufficient to fund the additional caseload costs in Social Services.

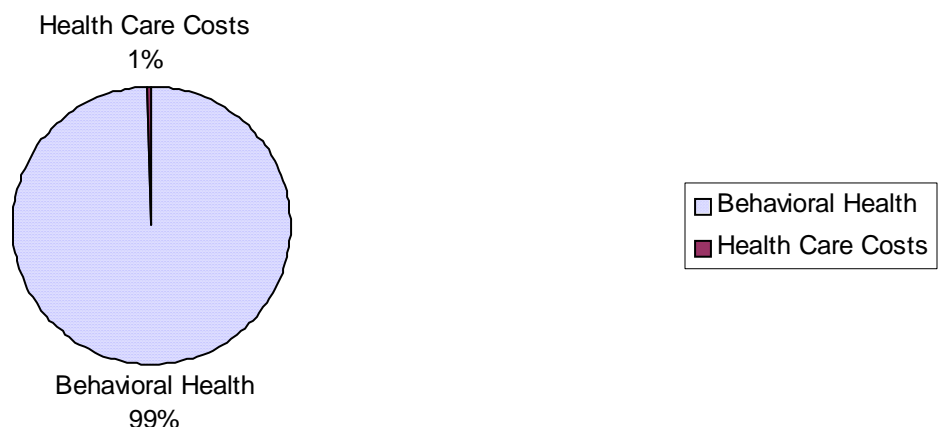


BREAKDOWN BY INDIVIDUAL REALIGNMENT FUNDS**MENTAL HEALTH**

	Mental Health			
	ACTUAL 2002-03	BUDGET 2003-04	ESTIMATE 2003-04	PROPOSED 2004-05
Beginning Fund Balance	48,310,313	25,433,662	32,159,845	21,300,446
Revenue	55,374,281	55,201,458	55,031,140	55,626,137
Department Usage	66,424,749	67,192,114	60,690,539	51,945,558
10% Transfers	(5,100,000)	(5,337,670)	(5,200,000)	(5,300,000)
Ending Fund Balance	32,159,845	8,105,336	21,300,446	19,681,025
Change in Fund Balance	(16,150,468)	(17,328,326)	(10,859,399)	(1,619,421)

Mental Health fund revenue is composed approximately 2/3 sales tax and 1/3 VLF. Revenues are expected to climb slowly since any growth in sales tax will be dedicated to Social Services to fund caseload. In conjunction with the County Administrative Office, the Behavioral Health Department has developed a plan to significantly reduce expenditures in an effort to bring expenditures in line with revenues. As seen in the table above, this plan has been successful in reducing fund balance used from \$16,150,468 in 2002-03 to an estimated \$10,859,399 in 2003-04 and a budgeted \$1,619,421 in 2004-05. Implementation of this plan has significantly improved the financial position of the Mental Health fund.

	Breakdown of Departmental Usage of Mental Health Realignment			
	ACTUAL 2002-03	BUDGET 2003-04	ESTIMATE 2003-04	PROPOSED 2004-05
Behavioral Health	66,131,442	66,873,463	60,414,469	51,622,300
Health Care Costs	293,307	318,651	276,070	323,258
Total Department Usage	66,424,749	67,192,114	60,690,539	51,945,558



SOCIAL SERVICES**Social Services**

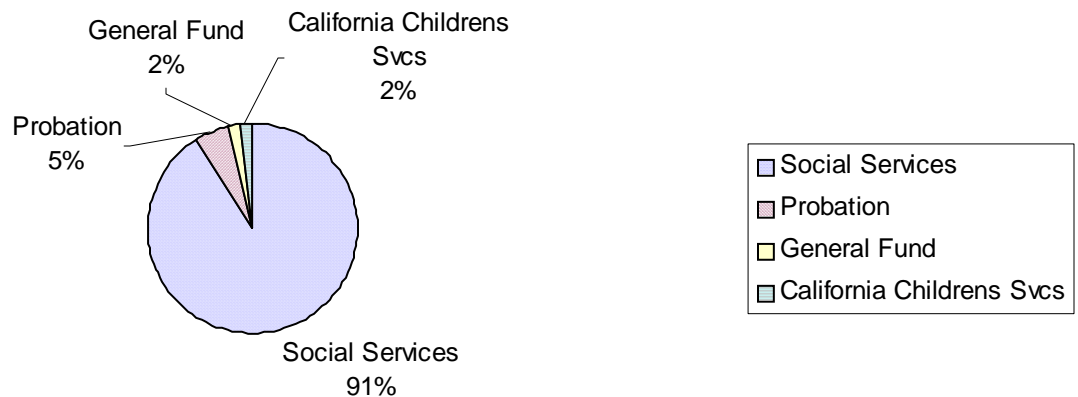
	ACTUAL 2002-03	BUDGET 2003-04	ESTIMATE 2003-04	PROPOSED 2004-05
Beginning Fund Balance	27,347,751	16,447,227	18,249,575	12,594,958
Revenue	59,319,027	59,742,774	65,716,111	70,931,212
Department Usage	73,517,203	78,653,534	76,570,728	83,891,709
10% Transfers	5,100,000	5,337,670	5,200,000	5,300,000
Ending Fund Balance	18,249,575	2,874,137	12,594,958	4,934,461
Change in Fund Balance	(9,098,176)	(13,573,090)	(5,654,617)	(7,660,497)

Revenues for Social Services are primarily (96%) sales tax with minimal VLF. The social services revenues have been particularly hard hit by the poor performance of statewide sales tax collection. Actual sales tax collection has been insufficient to keep up with rising costs in the mandated programs. Continued caseload cost increases as well as operational cost increases for liability insurance and increased salary and benefit costs will likely result in growing demand for additional financing for these programs.

In last year's projection it was anticipated that Social Services would require additional general fund support in the 2004-05 year; however, due to a higher than estimated beginning fund balance, less than budgeted expenditure estimates, and more optimistic revenue projections from the County's economics consultant, it appears that Social Services need for additional support will be pushed back to 2005-06. The \$4,934,461 ending estimated fund balance could swing dramatically with changes in caseload and sales tax growth.

Breakdown of Departmental Usage of Social Services Realignment

	ACTUAL 2002-03	BUDGET 2003-04	ESTIMATE 2003-04	PROPOSED 2004-05
Social Services Programs*	65,795,951	71,015,863	68,933,057	76,754,038
California Childrens Services	1,438,041	1,538,041	1,538,041	1,538,041
Probation	4,484,211	4,300,630	4,300,630	3,800,630
County General Fund	1,799,000	1,799,000	1,799,000	1,799,000
Total Department Usage	73,517,203	78,653,534	76,570,728	83,891,709



HEALTH**Health**

	ACTUAL 2002-03	BUDGET 2003-04	ESTIMATE 2003-04	PROPOSED 2004-05
Beginning Fund Balance	29,603,804	34,730,659	36,645,846	31,256,472
Revenue	55,128,261	55,690,960	56,672,205	56,672,205
Department Usage	48,086,219	54,768,121	62,061,579	55,118,262
10% Transfers	-	-	-	-
Ending Fund Balance	36,645,846	35,653,498	31,256,472	32,810,415
Change in Fund Balance	7,042,042	922,839	(5,389,374)	1,553,943

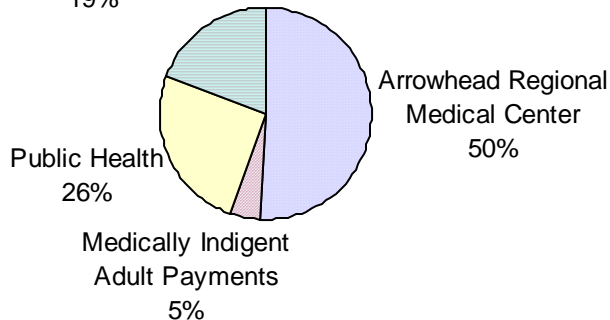
Health Realignment is funded approximately 1/3 sales tax and 2/3 VLF. Within Health, departmental expenses have been brought into line with ongoing revenues by not providing realignment increases to pay for rising salary and benefit costs. As a result, the departments have effectively experienced a budget cut due to inflation and the rising costs associated with salaries and benefits. The slight increase in 2003-04 for Public Health reflects a backfill of lost SB 90 revenue from the state and is for cash flow purposes until the State provides reimbursement.

Other programs funded by Health realignment are Medically Indigent Adult (MIA) Payments and Health Care Costs. The MIA budget funds payments to non-county hospitals for treatment of MIA patients. The Health Care Costs budget unit helps pay for the ARMC lease. A retroactive adjustment resulted in reduced SB 1732 revenue to fund lease payments in 2003-04 causing a one-time increase of Realignment usage in the Health Care Costs budget of approximately \$7 million.

Breakdown of Departmental Usage of Health Realignment

	ACTUAL 2002-03	BUDGET 2003-04	ESTIMATE 2003-04	PROPOSED 2004-05
Arrowhead Regional Medical Cntr	28,232,816	28,000,000	28,000,000	28,000,000
Medically Indigent Adult Payments	1,252,689	2,550,000	2,550,000	2,550,000
Public Health	13,693,643	13,908,689	14,158,689	14,078,852
Health Care Costs	4,907,071	10,309,432	17,352,890	10,489,410
Total Department Usage	48,086,219	54,768,121	62,061,579	55,118,262

Health Care Costs
19%



- ☐ Arrowhead Regional Medical Center
- ☐ Medically Indigent Adult Payments
- ☐ Public Health
- ☐ Health Care Costs

